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DAILY REPORT

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ZHANG AIPING MEETS REAGAN, U.S. OFFICIALS 12 JUN

OW122118 Beijing XINHUA in English 2106 GMT 12 Jun 84

[Text] Washington, June 12 (XINHUA) -- U.S. President Ronald Reagan met and had a friendly conversation with Zhang Aiping, Chinese minister of national defense, at the White House this morning.

Present on the Chinese side were Zhang Zhen, deputy chief of the General Staff of the Chinese People's Liberation Army, Zhang Wenjin, Chinese ambassador to the United States and Zhang Wutang, defense attache of the Chinese Embassy.

U.S. Vice President George Bush, Secretary of Defense Caspar Weinberger, National Security Adviser Robert McFarlane, and Counsellor to the President Edwin Meese were also present.

Zhang arrived here yesterday morning to return Weinberger's China visit last September. After inspecting the honor guards of the U.S. Armed Forces, Zhang and Weinberger held talks in the Pentagon on the current international situation and issues of common concern. Yesterday evening, Weinberger hosted a dinner for the Chinese minister.

Zhang gave a luncheon yesterday for three former American airmen, William Savoie, Raymond Lutz and Ernest Brundage, whose B-29 bomber went down in China in 1944 in an area controlled by a division of the anti-Japanese "New Fourth Army" but surrounded by the Japanese. Zhang was then the division commander. Zhang and his men did "a wonderful job taking care of us" during our week-long stay in his division about 40 years ago, Savoie recalled. "His warm attitude toward us today was remarkable," he said.

LI PENG MEETS BECHTEL PRESIDENT 12 JUN

OW121306 Beijing XINHUA in English 1244 GMT 12 Jun 84

[Text] Beijing, June 12 (XINHUA) -- Chinese Vice-Premier Li Peng this evening met and feted Alden Yates, president of the Bechtel group of companies of the United States, and his party.

The Bechtel group specializes in engineering and project construction. Arriving in Beijing June 10, the Americans are discussing with Chinese departments on cooperative projects in the coal, hydraulic power, metallurgical and petroleum industries.

STATEMENT RELEASED ON ROUND OF HONG KONG TALKS

OW130803 Beijing XINHUA in English 0752 GMT 13 Jun 84

[Text] Beijing, June 13 (XINHUA) -- A spokesman of the Chinese Foreign Ministry this afternoon read out at a weekly news briefing a press statement on the 16th round of the second phase of the Sino-British talks on the Hong Kong question which ended here at noon today. A press statement issued by both sides follows:

1. The Chinese and British sides continued their useful and constructive talks on the Hong Kong question on 12 and 13 June in Beijing. It was agreed that the 17th round of talks would take place on 27 and 28 June in Beijing.

2. It was agreed to establish a working group to consider documents submitted by the two sides in pursuit of their objective of reaching agreement as soon as possible on the question of Hong Kong. The group will meet full time between rounds of formal talks and will start work in Beijing during the week beginning 18 June. The Chinese team for the working group will be led by Ambassador Ke Zaishuo of the Ministry of Foreign Affairs of the People's Republic of China. The British team will be led by Dr David Wilson, assistant under secretary of state in the Foreign and Commonwealth Office of the United Kingdom. The teams of the two sides will be responsible to the chairmen of their respective government delegations, who will remain responsible for the overall conduct of the negotiations.

KAMPUCHEAN GRAIN SHORTAGE SEEN AS SRV PLOY

OW122128 Beijing XINHUA in English 1445 GMT 12 Jun 84

[Text] Beijing, June 12 (XINHUA) -- The Vietnamese authorities have recently cranked up their propaganda machine and noisily cried about the grave shortage of grain in Kampuchea, appealing to the international community to aid the Heng Samrin regime in Phnom Penh. What is behind this move?

On this question, Radio Democratic Kampuchea pointed out in a commentary today that this is a new trick played by the Vietnamese authorities in an attempt to seek foreign aid to support their aggressor troops in Kampuchea.

The commentary said that following their occupation of Kampuchea, the Vietnamese authorities have pursued a "burning, destroying and killing all" policy in the country. The Vietnamese troops looted the people's grain, property as well as draught animals and farm tools. In the occupied areas, the Vietnamese troops set up concentration camps and strategic villages for the residents -- all this deprived the local people of their right to make a living. In some fertile areas, the troops seized the harvests of the Kampuchean people to serve as their army provisions in Phnom Penh and some towns, the troops transported back to Vietnam the relief goods and materials provided by international organizations, or plundered them to serve as army provisions. This is the reason why Kampuchea is short of grain, the commentary pointed out.

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In the last drought season, the commentary continued, the National Army of Democratic Kampuchea and guerrillas increased their activities around the areas of Tonle Sap known as a "granary", and repeatedly attacked the logistics bases of the Vietnamese troops in Kompong Thom, Siem Reap, Battambang and Pursat cities as well as a large number of important county towns. These attacks destroyed a large number of the military warehouses storing grain as well as goods and materials. The Army and guerillas, the commentary said, have expanded their liberated areas, thus making it no longer possible for the Vietnamese troops in the western part to get grain from the said places. Therefore, if the Vietnamese authorities do not solve the grain problem immediately, their aggressive troops in Kampuchea should face the threat of grain shortage. This is the reason why the Vietnamese authorities appeal to the international community to provide the Hang Samrim regime in Phnom Penh with grain aid, the commentary noted.

The commentary concluded that only when the Vietnamese authorities give up their ambitions to annex Kampuchea, withdraw their troops from Kampuchea and Laos, and concentrate their manpower, material and financial resources on domestic economical construction, can they free themselves from the present predicament.

THAI NAVAL COMMANDER DEPARTS BEIJING 12 JUN

OW130103 Beijing XINHUA in English 1431 GMT 12 Jun 84

[Text] Beijing, June 12 (XINHUA) -- Admiral Praphat Chanthawirat, commander-in-chief of Royal Thai Navy, Mrs Praphat and their party left here this evening for home.

Seeing them off at the airport were Hu Weixing, deputy chief of staff of the Navy of the Chinese People's Liberation Army, and his wife, and Orachun Tanaphong, Thai ambassador to China and Col CH Chaloom Sripanvong, Armed Forces attache of the Thai Embassy in Beijing.

During their week-long stay in China, Admiral Praphat and party had talks with Chinese Army leaders and went to Dalian, Qingdao, Hangzhou and Shanghai for visiting Navy units and sightseeing.

FIJI ENVOY PRESENTS CREDENTIALS TO LI XIANNIAN

OW051309 Beijing XINHUA in English 1302 GMT 5 Jun 84

[Text] Beijing, June 5 (XINHUA) -- Chinese President Li Xiannian received credentials from the new Fiji ambassador to China, Joseph David Gibson, here this afternoon at the Great Hall of the People.

Present on the occasion was Assistant Foreign Minister Zhu Qizhen.

Gibson arrived in Beijing on June 4.

NEGOTIATIONS ON AFGHANISTAN TO RESUME IN GENEVA

OW130144 Beijing XINHUA in English 0138 GMT 13 Jun 84

[Text] United Nations, June 12 (XINHUA) -- A new round of negotiations on the Afghanistan situation will take place in Geneva in the second part of August, Diego Cordovez, United Nations under-secretary-general for special political affairs, announced here today.

Acting as personal representative of the UN secretary-general, Diego Cordovez travelled to Iran, Afghanistan and Pakistan from April 3 to 15 to discuss ways of resuming the diplomatic process aimed at achieving a comprehensive settlement of the situation relation to Afghanistan.

Diego Cordovez indicated at a press conference today that the package of understandings discussed during his trip to the area has been agreed upon by the interlocutors. He said that Secretary-General Javier Perez de Cuellar has agreed to start a new round of negotiations in Geneva.

CHINESE AID NEPALESE IRRIGATION PROJECT

OW120737 Beijing XINHUA in English 0646 GMT 12 Jun 84

[Text] Katmandu, June 12 (XINHUA) -- Nepal's Pokhara water conservancy and irrigation project, built with aid from China, is now well under way.

Construction on the dam, situated in Polhara, a city in central Nepal, began in November, 1981. After over two years of hard work, the Chinese experts and the Nepalese workers have completed 80 per cent of the earthworks of the project, half a year ahead of their construction schedule. After completion, the project will supply water to irrigate more than 1,000 hectares of land and to drive a power generating plant.

To test the quality of the workmanship thus far, Chinese experts drew off water from the overflow dam on May 24 while thousands of local people gathered to watch. The smooth progress of the project and good quality of the construction work have won praise from both the Nepalese officials and people.

TIES WITH WESTERN EUROPE SEEN REACHING NEW LEVEL

HK120220 Beijing GUANGMING RIBAO in Chinese 1 Jun 84 p 4

[Article by Zheng Dexin and Wang Ling: "There Are Good Prospects for the Development of Cooperation and Relations Between Western Europe and China"]

[Text] With the objective of seeking friendship, cooperation and peace, Premier Zhao Ziyang is visiting France, Belgium, Sweden, Denmark, Norway, Italy and the EEC at their invitation. This is the first formal friendly visit to Western Europe (including northern Europe and southern Europe) by our government head in recent years. It is another important diplomatic act of our government, which caught the attention of public opinion of all circles in Western Europe and the world.

Since the 3d Plenary Session of the 11th CPC Central Committee, because our country has implemented a series of correct internal and external policies, all West European countries have been attaching increasing importance to the strategic position and role of our country in the world, and have actively developed political and economic relations with our country. Over the past 2 years and more the residents of the FRG and France, the prime ministers of Great Britain and Luxembourg, and heads of other West European countries and governments have visited China in succession, exchanging views with the leading members of our country on important international issues and probing channels in carrying out wide-ranging cooperation. Our country has also sent a number of delegations headed by the vice chairmen of the NPC Standing Committee or vice premiers to visit various West European countries.

Last November, EEC Commission Chairman Thorn visited our country. The two sides affirmed that the diplomatic relations between China and the EEC have been upgraded in the diplomatic relations with all the European Communities (including the European Coal and Steel Community and the European Atomic Energy Committee), and a system of political consultations has been established, with the two parties periodically exchanging views on international issues. This is a great development in the cooperation and relations between the two sides. New achievements have also been made in economic and technological cooperation. For a long time Western Europe has been an important trading partner for our country. Last year the trade volume in imports and exports between Western Europe and our country was \$6.8 billion (the total trade between China and the EEC accounted for 83 percent), a 20.9 percent increase over the preceeding year and a higher growth rate in total trade compared with that between our country and Japan and the United States for the same period. There has emerged an unprecedented new level of cooperation and relations between China and Western Europe in politics and economics.

Western Europe has been the focus of contention between the United States and the Soviet Union; it is an important power in the world strategic situation today. Because of its strategic position, Western Europe is seeking a multipolar world, pursuing a strategy of balance of power. China opposes the hegemonism and expansionism of the superpowers while supporting Western Europe in uniting in order to make themselves stronger, supporting the various Western European countries in their principles and stand of adopting a foreign policy which maintains independence and keeps the initiative in their own hands in the international arena. Our stand has won the universal appreciation of the governments and public of Western Europe, who hold that China "is a reliable companion." Last June the West European Union, an international organization in charge of the defense of Western Europe, composed of several countries including Great Britain, France, Italy and the FRG, adopted a report "China and the Security of Europe," which holds that in the next few years China's importance in the world will continue to make itself felt. An independent and powerful China will be helpful to the safety and stability of the world, something which also conforms to the interests of Western Europe. Therefore it is advocating the adoption of a "more harmonious and practical" policy towards China, and establishing "lasting understanding and close cooperation and relations" with China.

In economic ties, the West European countries eagerly hope for developing lasting, stable cooperation and relations in trade, economics and technology with China, not only for solving the present economic difficulties in Western Europe, but also for finding a way out in future economic development, and for improving their positions in the competition with the United States and Japan. In recent years the economy of our country has been developed rapidly and our market has been continuously expanding; we have implemented pluralization in foreign trade, laying stress on developing economic ties with Western Europe, which has provided wide-ranging prospects for expanding its exports to our country. A few years ago there were some developments in the economic and trading ties between Western Europe and our country. However, due to various reasons the rate of growth was not fast enough. Between 1978 and 1983 the total trade between the EEC and our country increased by 80 percent; however, up to the present, trade with China accounts for only 0.7 percent of the total EEC foreign trade. Such a situation far from corresponds to the development of political relations between the two sides. Premier Zhao recently expressed the hope that "from now on the proportion of cooperation between China and the EEC will further grow." In April, the Council of Europe adopted a resolution by an overwhelming majority which points out that at present, trade between the EEC and China "is far lower than the objectively existing potentials," thus requiring that organizations and enterprises enhance cooperation with our country, in particular cooperation in energy resources, raw materials, nuclear power stations, electronics, agriculture, and so on.

Western Europe and China occupy a similar strategic position; there are many advantageous conditions for the two parties to develop cooperative relations. Although there are differences in social systems between China and the West European countries, there are no conflicts of interests and no great political obstructions on the road to developing cooperative relations. However, they each have their own merits, while needing each other. On many international issues they are unanimous or close to each other in views and speak a common language. Enhancing friendly cooperation with various West European countries in various fields of politics, economics, culture, science and technology is an important component of our country's foreign policy. The current visit to Western Europe of Premier Zhao will inevitably push further forward the all-round cooperation between the various West European countries and China, enhance our friendly relations, and make new contributions to safeguarding world peace.

HU QILI MEETS SPANISH SOCIALIST DELEGATION

OW121554 Beijing XINHUA in English 1510 GMT 12 Jun 84

[Text] Beijing, June 12 (XINHUA) -- Hu Qili, member of the Secretariat of the Central Committee of the Chinese Communist Party, held two rounds of talks with a delegation from the Spanish Socialist Workers' Party [PSOE] led by its Federal Executive Committee member Enrique Mugica today in the Great Hall of the People.

Sources close to the talks said that the meetings proceeded in a friendly and frank atmosphere. Hu and Mugica briefed each other on state and party affairs and the domestic and foreign policies of their own countries. They also exchanged views on major international issues of common concern and the development of bilateral relations.

Mugica said, "We strongly oppose imperialism and hegemonism, stand for respecting the dignity of the peoples of all countries and promote cooperation between people of all countries. Safeguarding national independence and striving for the progress of the country are the cornerstone in our cooperation with the Chinese Communist Party."

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Hu Qili said the superpowers' rivalries made for world turbulence and unrest. "We have a strong desire for lasting stability of the international environment." The Chinese people, like those of other countries, were not willing to see the world ravaged by a new world war, he said.

Hu Qili expressed the hope that the two parties would increase their exchanges and contacts in varied forms, deepen mutual understanding and friendship and develop bilateral relations.

Present at the meeting were Qian Liren, head of the International Liaison Department of the CPC Central Committee; Salvador Fernandez, secretary of the Federal Executive Committee; and Miguel Angel Martinex, member of the Federal Commission of the PSOE.

In the evening, Hu Qili hosted a banquet in honor of the Spanish delegation.

FURTHER ON ZHAO ZIYANG ACTIVITIES IN OSLO

Meeting With Willoch

OW121314 Beijing XINHUA in English 1256 GMT 12 Jun 84

[Text] Oslo, June 12 (XINHUA) -- Chinese Premier Zhao Ziyang held talks with Norwegian Prime Minister Kaare Willoch at the latter's office here this morning on Sino-Norwegian relations and international issues of common concern. The two-hour talks followed a private meeting between the two leaders.

They expressed satisfaction with the friendly cooperation between the two countries in the political, economic, cultural, scientific and technological fields. It is their belief that China and Norway can further strengthen their economic cooperation in the fields of offshore oil exploitation, energy development, shipping, ship-building, fishery and electronic technology.

Willoch said his government will encourage and create good conditions for Norwegian entrepreneurs to increase cooperation with China. The two leaders also discussed international issues of common concern and found their views identical or similar.

Premier Zhao invited Willoch to visit China at his convenience and the Norwegian prime minister accepted the invitation with pleasure.

Present on the occasion on the Chinese side were State Councillor and Minister in charge of the State Economic Commission Zhang Jingfu, Deputy Secretary-General of the State Council Chen Chu, Vice-Minister of Foreign Affairs Qian Qichen, Vice-Minister of Foreign Economic Relations and Trade Jia Shi, and vice-minister of Public Security Tao Siju.

Present at the occasion on the Norwegian side were Minister of Foreign Affairs Sverre Stray, Minister for Oil and Energy Kaare Kristiansen, Minister for Environment Rakef Surlien, and State Secretary of the Prime Minister Office Kjell Colding.

Luncheon With King Olav

OW121305 Beijing XINHUA in English 1252 GMT 12 Jun 84

[Text] Oslo, June 12 (XINHUA) -- King Olav V of Norway met Chinese Premier Zhao Ziyang and then entertained him at a luncheon at the Royal Palace in the city center here today.

The Chinese leader arrived here this morning from Bergen in western Norway to continue his official visit to this country. Right after his arrival he spent two hours with his Norwegian counterpart Kaare Willoch for political talks on international issues and the development of Sino-Norwegian relations.

Senior members of Zhao's entourage, including State Councillor Zhang Jingfu, were also invited to the royal luncheon. Also present were President of the Storting (Norwegian parliament) Per Hysing-Dahl, Prime Minister Kaare Willoch and some other cabinet members.

Meeting With Businessmen

OW121824 Beijing XINHUA in English 1809 GMT 12 Jun 84

[Text] Oslo, June 12 (XINHUA) -- Visiting Chinese Premier Zhao Ziyang stated here today that China is highly interested in expanding economic and technical cooperation and trade with Norway.

He underlined the point at a meeting with some 40 entrepreneurs representing leading manufacturers and business firms in Norway, including Wollert Hvide, president of the Norwegian Shipowners' Association, and Oscar Munch, president of the Export Council of Norway.

After shaking hands and exchanging greetings with the entrepreneurs, Zhao said, "I want to stress to you my personal interest in expanding cooperation between our two countries." He is particularly interested in seeing more technological transfer in various forms, he added.

The entrepreneurs, who are involved in industries such as shipbuilding, electronic equipment, chemicals, hydroelectric power generating equipment, power transmission, foodstuff and many other trades, told the Chinese leader that they want very much to expand business with China. Many of them expressed particular interest in launching joint ventures.

The meeting then heard a speech delivered by Zhang Jingfu, Chinese state councillor and minister in charge of the State Economic Commission. Zhang said: "The Chinese Government holds that not only should we expand the on-going projects, but it will be necessary for us to try to open up new areas of cooperation. Norway has advanced technology and rich experience in off-shore oil drilling, ship-building, shipping, water conservancy, electronics and fishery. The technology in these fields is the very thing required by China in its modernization program. There are great potentials for the development of Sino-Norwegian economic and technical cooperation. We should work together to tap them fully." He went on to say that China is adopting more flexible measures in opening to the outside world.

"We will provide more favorable terms in taxation and market to joint ventures and entirely foreign-owned enterprises. At the same time, we are exerting efforts to improve laws and regulations on external economic relations to ensure a better investment environment for foreign partners. Conditions for our bilateral cooperation will improve steadily," he said.

Toasts at Official Banquet

OW122222 Beijing XINHUA in English 2213 GMT 12 Jun 84

[Text] Oslo, June 12 (XINHUA) -- Visiting Chinese Premier Zhao Ziyang announced here today that his country will offer conveniences and favorable terms to Norwegians who enter into economic and technological cooperation with China.

He said this at a banquet given in his honor by Norwegian Prime Minister Kaare Willoch here this evening. Before his arrival in the Norwegian capital this morning, the Chinese leader had a two-day stay in the country's second largest city of Bergen, during which he visited Norway's Statfjord oil field in the North Sea.

The Norwegian prime minister said in his toast that his government took it as an honor to receive, for the first time in the country's history, a Chinese premier coming on an official visit. The Norwegians, he noted, are deeply impressed by what China has achieved in its modernization drive.

Speaking in high praise of China's open policy, he said increased contacts with the outside world at a time of rapid scientific development will contribute immensely to an early realization of modernization. He also mentioned that Norway and China have agreed on a number of cooperative projects and the prospects are encouraging. It was his belief, he said, that Premier Zhao's visit would give a great impetus to the cooperation between the two countries.

The Chinese leader also expressed satisfaction with the marked progress in Sino-Norwegian relations in various fields in the last three decades since the opening of diplomatic ties, but he noted that neither should rest content with the present level of their relations. They should try to tap the potentials and open up new areas, and more and more Norwegian friends are welcome to enter cooperation with China in various forms such as running joint ventures, cooperative development projects and firms with exclusive Norwegian capital, he said.

Both leaders underlined their identical or similar views on a wide range of major international issues. The Norwegian leader referred to the "numerous disturbing factors" in the present international situation, the existence of dangerous conflicts in many parts of the world and the difficulty in the relations between the two superpowers. All this, he said, calls for concrete results to be produced in disarmament. He paid a high tribute to China's increased attention to the international disarmament work.

Premier Zhao described the world today as one which, instead of moving towards peace and stability, has become more turbulent and unrestful.

He declared that China fully understands and supports the various efforts made by the Norwegian Government and people for safeguarding their national sovereignty and security and for genuine detente and disarmament. The Chinese leader renewed his call on the two superpowers to hold serious disarmament talks and reach agreement on a drastic reduction of nuclear weapons, thereby creating the necessary conditions for nuclear disarmament talks among all nuclear countries.

Their toasts were warmly acclaimed by those present at the banquet, which was held at Akershus Castle on the southern coast of the city, a former royal residence now used for government functions.

All members of Premier Zhao's entourage were guests at the banquet. Also present were Norwegian Government ministers and celebrities from the country's various circles.

Talks With Parliamentarians

OW130848 Beijing XINHUA in English 0821 GMT 13 Jun 84

[Text] Oslo, June 13 (XINHUA) -- Visiting Chinese Premier Zhao Ziyang had separate meetings here this morning with Norwegian parliament President Per Hysing-Dahl and Chairman Gro Harlem Brundtland of the Labor Party.

It is learned that they had cordial discussions on bilateral relations and international issues of mutual concern. In an interview with XINHUA prior to her meeting with Premier Zhao in the parliament, Brundtland said she had visited China three years ago and planned to pay another visit. She was Norway's first woman prime minister from February to November 1981 when her party was in power.

Also present at the meetings were Chinese State Councillor Zhang Jingfu, Deputy Secretary General of the State Council Chen Chu and other senior members of Zhao's entourage.

CONDOLENCES SENT TO DEATH OF ITALY'S BERLINGUER

Zhao Cable From Oslo

OW122000 Beijing XINHUA Domestic Service in Chinese 1648 GMT 12 Jun 84

[Text] Oslo, 12 Jun (XINHUA) -- Comrade Zhao Ziyang, premier of the People's Republic of China, sent a message from the Norwegian capital of Oslo to the Central Committee of the Italian Communist Party [PCI], expressing his deep condolences and sincere sympathy on the death of Comrade Enrico Berlinguer. The message of condolence reads in full as follows:

To the Central Committee of the Italian Communist Party:

Dear Comrades: During my visit in Norway I was shocked to hear that Comrade Enrico Berlinguer, general secretary of the Italian Communist Party, had, to our great sorrow, died of illness. With an extremely deep feeling of grief, I wish to extend to you, and to all the members of the Italian Communist Party through you, as well as to the members of Comrade Berlinguer's family, my deep condolences and sincere sympathy. Comrade Berlinguer was an outstanding leader of the Italian Communist Party, a fine son of the Italian people, a distinguished leader of the international workers movement and the communist movement. He devoted all his life and made valuable contribution to the Italian people's cause of democracy, freedom and socialism, to the preservation of world peace and to the promotion of human progress. His death inflicts a great loss not only upon the Italian Communist Party and the Italian people but also on the working class and the laboring people of the world.

Over a long period in the past, Comrade Berlinguer, as the close comrade-in-arms of the Chinese Communist Party and the Chinese people, worked with great enthusiasm to safeguard and enhance the traditional friendship between the two parties and peoples of our countries, and to promote the friendly and cooperative relations between China and Italy. All the Communist Party members in China and the Chinese people will cherish the memory of Comrade Berlinguer forever.

Zhao Ziyang, member of the Standing Committee of the Political Bureau of the CPC Central Committee and premier of the State Council of the People's Republic of China, on 12 June 1984 in Oslo.

Text of Hu Yaobang Note

OW122108 Beijing XINHUA Domestic Service in Chinese 1646 GMT 12 Jun 84

[Text] Beijing, 12 Jun (XINHUA) -- Comrade Hu Yaobang, general secretary of the CPC Central Committee, today sent a message to the Central Committee of the Italian Communist Party, [PCI] on behalf of the four veteran comrades of the Communist Party of China to express their deep condolences over the death of Comrade Berlinguer. He also announced that the CPC Central Committee has decided to send Comrade Zhao Ziyang to attend the funeral service for Comrade Berlinguer. The message reads in full as follows:

To the Central Committee of the Italian Communist Party:

Dear Comrades: With great sorrow, I hereby express to you, on behalf of Deng Xiaoping, Li Xiannian, Peng Zhen, Deng Yingchao and other veteran comrades and in my own name, our deep condolences on the unfortunate death of Comrade Berlinguer, general secretary of the Italian Communist Party. Please convey our sincere sympathy to the family of Comrade Berlinguer. The Central Committee of the Communist Party of China has decided to send Comrade Zhao Ziyang, member of the Standing Committee of the Political Bureau of the CPC Central Committee and premier of the State Council of the People's Republic of China, to attend the funeral service for Comrade Berlinguer on behalf of the CPC Central Committee.

Hu Yaobang, general secretary of the Communist Party of China, on 12 June 1984.

AREA VISIT BY DPRK'S KIM IL-SONG REPORTED

CSSR Fete

OW050823 Beijing XINHUA in English 0633 GMT 5 Jun 84

[Text] Prague, June 4 (XINHUA) -- The Central Committee of the Communist Party, the president and the Government of Czechoslovakia held a banquet here this evening in honor of the Korean party and government delegation led by President Kim Il-song.

In his remarks at the banquet, Czechoslovakian President Gustav Husak said "We fully support the Korean people in their just struggle for the withdrawal of U.S. troops from South Korea and peaceful and independent reunification of their fatherland. We will, as always, extend our support to the initiatives put forth by the Democratic People's Republic of Korea to this end." He said that the visit to Czechoslovakia by the Korean delegation demonstrates the long-standing and firm friendship between the two parties and two countries. He was convinced that the talks between the two parties will give new impetus to consolidating the traditional friendship and mutual cooperation between the two countries.

In his reply, Kim Il-song said "We fully support the peace initiatives of the party and Government of Czechoslovakia for preventing war and safeguarding peace and the socialist position in Europe." "We also express full and firm support for its retaliatory measures in response to the new scheme of war by a imperialist power," he said.

He remarked that developing cooperation between the two countries is of great significance not only in order to accelerate the pace of socialist construction in both countries but also to reinforce the socialist forces in the world.

Talks With CSSR's Husak

OW060119 Beijing XINHUA in English 2156 GMT 5 Jun 84

[Text] Prague, June 5 (XINHUA) -- The Korean party and state delegation led by President Kim Il-song and the Czechoslovak party and state delegation led by President Gustav Husak continued their talks here today on bilateral relations and the international situation.

The Czechoslovak news agency reported that the two sides expressed satisfaction with the development of cooperation between the two countries and stressed the hope that the mutually beneficial cooperation in the political, economic, scientific and technical, cultural and other fields be further consolidated and expanded.

Both sides also expressed the wish to further develop party relations.

On international matters, the two delegations expressed deep concern over the dangerous development of the international situation and "strongly condemn the aggressive militarist policies of the United States and its NATO allies." Therefore, the two sides "emphasized the great significance of the peace proposals of the Warsaw Pact nations and the peace initiatives of the Soviet Union and other socialist countries."

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The Czechoslovak side reiterated its full support for the Korean party and government efforts for the peaceful reunification of Korea on the basis of democracy and without foreign interference. It highly praised the concrete proposals put forward by Korea to maintain peace and reduce tension on the Korean peninsula and expressed full support for Korea's just demand for the early withdrawal of U.S. troops from South Korea.

The Korean side expressed full support for the peace initiatives of the Warsaw Pact countries and their measures to increase their defense capabilities following the deployment of new U.S. missiles in Western Europe.

The two sides during the talks spoke highly of the role played by the Nonaligned Movement in world affairs and voiced their support for the Asian, African and Latin American peoples' struggle against imperialism and colonialism.

Kim Condemns U.S.

OW070337 Beijing XINHUA in English 0252 GMT 7 Jun 84

[Text] Prague, June 6 (XINHUA) -- Thousands of Czechoslovak people from all walks of life held a meeting here this afternoon to welcome the Korean party and government delegation led by President Kim Il-song.

Speaking at the meeting, Czechoslovak President Gustav Husak accused the United States of stationing its troops in South Korea to prevent Korea's reunification. He reaffirmed his country's definite support for the efforts made by the DPRK for a peaceful and independent reunification on the basis of democracy.

Husak also expressed satisfaction at the results of the visit to Czechoslovakia by the Korean delegation. He said that his country will make every effort to increase the cooperation between the two countries.

In reply, Kim Il-song condemned the United States for increasing its armaments on a large scale and deploying new nuclear missiles in Western Europe.

He said: "The situation in Asia remains tense today. The U.S. imperialists who have stored a great quantity of destructive weapons in South Korea and the nearby area are constantly carrying out war schemes and aggression against us."

He said that his delegation's visit "has brought about good results." It is an important milestone which will advance the traditional friendship of the two parties and the two countries to a new high and help consolidate solidarity of socialist countries and the communist movement and maintain peace and security in the world.

Kim Il-song and the Korean delegation left here this evening for Hungary.

Arrives in Budapest

OW071850 Beijing XINHUA in English 1838 GMT 7 Jun 84

[Text] Budapest, June 7 (XINHUA) -- President Kim Il-song, at the head of a party and government delegation of the Democratic People's Republic of Korea, arrived here this morning for an official and friendship visit to Hungary.

The Korean delegation is invited by the Central Committee of the Hungarian Socialist Workers' Party, the Presidential Council and the Government of the Hungarian People's Republic. Kim Il-song and his delegation were greeted at the railway station by Hungary's First Party Secretary Janos Kadar and President Pal Losonczi. Later, a grand ceremony was held here to welcome the Korean guests. This is the second time that Kim Il-song visits Hungary. He had visited the country 28 years ago.

Kadar Statement of Support

OW091342 Beijing XINHUA in English 1327 GMT 9 Jun 84

[Text] Budapest, June 9 (XINHUA) -- Hungarian party leader Janos Kadar declared today that his country supports the constructive proposal on the reunification of Korea put forward by the Democratic People's Republic of Korea.

He made the assurance here this evening at a banquet in honor of the visiting Korea leader Kim Il-song and his entourage. In his toast, Kadar said Kim Il-song's visit to Hungary is a significant event and will promote the friendship and cooperation between the two countries. He assured Kim that the Hungarian people will stand by the Korean people in their just struggle against imperialist threat to peace in Asia and the world as a whole. Expressing concern over the tense international situation, Kadar said his country believes all international disputes should be solved by political means and through negotiations.

In reply, Kim said the Korean people are doing everything possible to ease the tensions on the Korean peninsula, remove the dangers of war and reunify the Korean nation peacefully. He hoped that his visit will contribute to stronger friendship and cooperation between their countries, to closer unity among socialist countries and international communist movements, and to world peace.

Earlier today, the two sides began formal talks on bilateral relations and international issues.

Departs for SFRY

OW091346 Beijing XINHUA in English 1332 GMT 9 Jun 84

[Text] Budapest, June 9 (XINHUA) -- Kim Il-song, president of the Democratic People's Republic of Korea and general secretary of the Korean Workers' Party, wound up his visit here today. Kim, who arrived here Thursday on his first visit to Hungary in 28 years, left Budapest by train for Yugoslavia this morning after talks with Hungarian Communist Party leader Janos Kadar on international issues and bilateral ties yesterday.

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Kadar and other Hungarian leaders attended a farewell ceremony in front of the parliament building and saw Kim Il-song and the Korean delegation off at the railway station.

Received by SFRY's Leaders

OW100648 Beijing XINHUA in English 0635 GMT 10 Jun 84

[Text] Belgrade, June 9 (XINHUA) -- Korean leader Kim Il-song arrived here today, starting a three-day official and friendship visit to Yugoslavia.

Kim, general secretary of the Central Committee of the Korean Workers' Party and president of the Democratic People's Republic of Korea, was met at the railway station by Yugoslav President Veselin Djuranovic, President of the League of Communists of Yugoslavia Dragoslav Markovic, Prime Minister Milka Planinc. President Kim had paid a visit to Yugoslavia in 1975.

It was reported that Kim Il-song and the Korean party and government delegation he leads will have talks with Yugoslav leaders on the international political and economic situation, the Non-Aligned Movement, ways to further strengthen cooperation between the two countries and the two parties as well as the situation in the international workers' movement.

Dinner Toasts

OW100752 Beijing XINHUA in English 0653 GMT 10 Jun 84

[Text] Belgrade, June 9 (XINHUA) -- Yugoslav President Veselin Djuranovic said here this evening that Yugoslavia extends consistent and full support to the proposals and activities of the Democratic People's Republic of Korea (DPRK) for the reunification of the country.

Speaking at a dinner in honor of the visiting Korean President Kim Il-song, Djuranovic said that Korea's policy is conducive to the easing of tension of the Korean peninsula and in a wider area and to the safeguarding of peace and security in the region. Yugoslavia "fully supports the proposal put forth by DPRK and President Kim Il-song for peaceful reunification of the country by means of negotiation and without outside interference," he said, adding that in this context, Yugoslavia supports the initiatives for holding tripartite talks.

He pointed out that at present, Europe has the largest depot of nuclear and other weapons and witnesses the sharpest confrontation between blocs. As part of Europe, the socialist and nonaligned Yugoslavia is extremely concerned over the disarmament issue, the lessening of tensions and the elimination of the danger of war, he added.

In his toast, President Kim Il-song said, "Both Korea and Yugoslavia are socialist and nonaligned countries. The friendly and comradely relations between our two countries are based on the concept of socialism and the Non-Aligned Movement."

He said that Korea vigorously supports Yugoslavia's efforts for establishing a nuclear-free zone in the Balkans and turning the Mediterranean into a zone of peace and cooperation.

At present, the President noted, the non-aligned and developing countries should speed up economic and technological exchanges among themselves. Such exchanges, he added, must be based on mutual supplement and collective self-reliance.

Kim, Djuranovic on Nonalignment

OW110752 Beijing XINHUA in English 0654 GMT 11 Jun 84

[Text] Belgrade, June 10 (XINHUA) -- Visiting Korean leader Kim Il-song and Yugoslav President V. Djuranovic today stressed that the non-aligned countries should enhance their unity, uphold the basic principles of non-alignment and develop universal cooperation between the non-aligned and developing countries.

Kim Il-song today held separate talks with Yugoslav state and party leaders on bilateral cooperation and the most pressing international problems. In their three-hour talks, Kim Il-song and V. Djuranovic urged the non-aligned countries to strengthen their efforts to improve the international situation and preserve world peace and security. The two leaders were reported to have identical stands on other major international questions including Kampuchea.

On the situation on the Korean peninsula, Kim Il-song stated that the Korea problem should be solved through North-South negotiations with the participation of the United States with a view to creating a confederation which will retain the existing social systems in the two parts of the country.

Djuranovic reiterated Yugoslavia's continuing support for the efforts of the Democratic People's Republic of Korea in its struggle for the peaceful reunification of Korea.

In Kim's talks with President Dragoslav Markovic of the Yugoslav League of Communists, the two sides noted that relations between the communist parties, workers' parties and progressive parties and movements should be based on the principle of independence and equality, each party being responsible to the working class and people of its country. Expressing satisfaction with the existing relations between the two countries and two parties, both Kim and Markovic pledged to further these relations, particularly in the field of economic cooperation. Meanwhile, Korean Premier Kang Song-san has held talks with his Yugoslav counterpart Milka Planinc on bilateral economic cooperation.

11 Jun Departure

OW120206 Beijing XINHUA in English 0151 GMT 12 Jun 84

[Text] Belgrade, June 11 (XINHUA) -- President Kim Il-song of the Democratic People's Republic of Korea ended his three-day official visit to Yugoslavia today. He was seen off at the Belgrade station by Yugoslav leaders V. Djuranovic and D. Markovic.

Before his departure, Kim Il-song held final talks with D. Djuranovic and D. Markovic this morning. It was reported that the two sides held that the visit has brought about a positive and useful results which will give impetus to cooperation between the two countries and their cooperation in the international field.

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YANG DEZHI MEETS ROMANIAN ARMY OFFICERS 11 JUN

OW112040 Beijing XINHUA in English 1649 GMT 11 Jun 84

[Text] Beijing, June 11 (XINHUA) -- Yang Dezhi, chief of the General Staff of the Chinese People's Liberation Army, met and hosted a dinner for a vacationing Romanian Army officers group in the Great Hall of the People here this evening.

The group is led by Dumitru Velicu, first deputy commander and chief of staff of an army group of the Romanian Armed Forces.

Present were Xu Xin, deputy chief of the General Staff of the PLA; Yan Tongmao, deputy commander of the Beijing military area command of the PLA; and Romanian Ambassador to China Angelo Miculescu. The Romanian visitors arrived here on May 21 and then visited Shanghai, Nanjing, Jinan and Qingdao. They will leave here tomorrow for home.

PRC PARTICIPATES IN BULGARIAN BOOK FAIR

OW120338 Beijing XINHUA in English 0246 GMT 12 Jun 84

[Text] Sofia, June 11 (XINHUA) -- The 16th Sofia International Book Fair ended here today with the participation of exhibitors from 45 countries including China.

Chinese exhibits, including all kinds of books, picture albums, and pictures of scenic spots, attracted some 20,000 visitors during the one-week fair. Among them were Bulgarian Vice-Chairman of the Council of Ministers and Chairman of the Committee for Culture Georgi Yordanov and Secretary of the Secretariat of the Central Committee of the Bulgarian Communist Party Stoyan Mikhaylov.

CPC ISSUES 1984 DOCUMENT NO 1 CIRCULAR

OW122242 Beijing XINHUA Domestic Service in Chinese 0032 GMT 11 Jun 84

[Text] Beijing, 11 Jun (XINHUA) -- The CPC Central Committee's Circular on Rural Work in 1984 (1 January 1984)

I

Notable results have been achieved in the past year in implementing, on a trial basis, the document on "Certain Questions Concerning the Current Rural Economic Policy" issued by the CPC Central Committee in January 1983. This proves that the basic objectives, principles and policies set forth in the document are correct. The CPC Central Committee has decided to continue its implementation as an official document for guiding rural work for some time to come.

Through the concerted efforts of the entire party, as well as the cadres and masses on various fronts across the country, record bumper harvests were reaped and heartening progress was made in rural work during the past year. This fact makes us believe more firmly that as long as we maintain the stability and continuity of the party's policies, continuously sum up new experiences and solve new problems in practice, we can unite and lead the peasant masses in their hundreds of millions to develop the new situation already created in the countryside, achieve the grand objective set by the 12th party congress and at the same time open a road in the development of socialist agriculture with distinctive Chinese features.

II

The stress in this year's rural work is to raise the level of productive forces, clear the channels of circulation and develop commodity production on the basis of stabilizing and improving the production responsibility system.

As a result of widespread implementation of the agricultural production responsibility system, the productive forces have been liberated and commodity production has been developed. The transformation from a self-sufficient or semi-self-sufficient economy to larger-scale commodity production is a necessary process in developing the socialist rural economy of our country, a process which must not be skipped. Only by developing commodity production will it be possible to bring about a further division of labor in society and to raise the productive forces to a new level; only thus will it be possible to make our countryside prosperous, to enable our cadres to learn to use the relationship between commodities and currency as well as the law of value to serve the planned economy, and to expedite the modernization of our country's socialist agriculture.

III

It is necessary to continuously stabilize and improve the output-related system of contracted responsibilities and to help peasants expand their production scale on the basis of their household operation and raise their economic results.

A. The land contract period should be extended in order to encourage peasants to increase their investments, to develop soil fertility and to practice intensive farming. The land contract period should generally be longer than 15 years. As for lands contracted for production which requires more time or for development projects, such as fruit growing, forest farming and the development of barren hills and wasteland the contract period should be still longer. Before the contract period is extended, the collective, after full consultation, may readjust lands in a unified way and in accordance with the principle of "great stability and minor readjustment" when the masses make requests for such readjustments.

The gradual concentration of land among efficient farming families should be encouraged. If, during the contract period, a peasant is unable to till his land, or if he changes his occupation and wants to return his land to the collective, or wants to contract for a smaller plot, he may return the land to the collective for centralized arrangements or, with the collective's consent, find another contractor who wants to take over his contractual land. Without authorization, however, he may not change the content of the original contract he signed with the collective. The terms for transferring the contract should be determined by the two sides in accordance with the local situation. Under the current system, when the state monopolizes the procurement and marketing of food grains, the transferee of the contract may pay a certain amount of fairly priced food grains [ping jia liang 1627 0116 9037] to the transferor.

The peasants' investment in their land should be rationally compensated. Specific ways of compensation should be worked out through democratic consultations among the peasants. They should, for example, rate their plots and appraise their prices accordingly. The ratings and prices will be used as reference to determine the compensation for investors when contracts are transferred. Rational ways should also be worked out for establishing compensation for plots whose fertility has been diminished because of abusive exploitation. The collective should promptly repurchase those plots which are uncultivated, or which have been abandoned. Both the privately owned plots and the contractual plots cannot be purchased, sold, or leased. Neither should they be used for nonagricultural purposes, such as housing construction.

B. Capital belonging to the peasants and the collectives should be allowed to flow freely, or in an organized manner, from one region to another without restrictions. The peasants should be encouraged to invest in various enterprises and become shareholders; under the principle of voluntary participation and mutual benefit, the collectives and peasants should be encouraged to pool their funds to set up all kinds of enterprises, particularly those of a developmental nature.

C. The principles for hiring workers in rural areas have been set forth in the Central Committee's document "Several Issues of the Current Rural Economic Policies," and they should continue to be followed. Industrial and commercial administrative departments should promptly handle their work of registering and licensing new businesses and should strengthen their management in this regard. All departments concerned should earnestly investigate and study this issue further so that more specific policies and regulations can be worked out when conditions are ripe.

At present, some enterprises, which have hired more workers than the regulations permit, have adopted certain measures different from those of private enterprises. These measures include retaining a certain percentage of money from the after-tax profits as public funds, limiting dividends and the owner's income, retaining a certain percentage of money from the profits for workers' rewards, and so forth. Since these are various measures peculiar to a cooperative economy, the enterprises that have adopted them should be helped to further improve them, and may not be regarded as following the capitalist system of employment.

Although some commune and brigade enterprises, which have managers to take charge of the systems of contracted responsibilities, have adopted the practice of hiring workers, they should still be regarded as cooperative economic enterprises, and not as private employers, as long as they operate according to the following principles:

1) They are owned by a commune or a brigade and they have retained sufficient funds for the depreciation of fixed assets, as well as a certain percentage for public funds; 2) the commune or brigade has the right to decide on major issues, such as the nature of the products, the handling of the fixed public assets, the fundamental principles of distribution, and so forth; 3) they turn over a certain amount of the profits to the commune or the brigade, according to regulations; 4) their managers have the full power to run the operation of the enterprises within the scope authorized by the commune or the brigade; 5) they pay the workers according to their work, their management is democratic, they pay dividends to individual investors on one scale, and the managers get better pay, but not excessively higher than that of the workers.

D. The specialized households which have emerged in the countryside after the institution of the output-related system of contracted responsibilities and which have taken the lead in working hard to become well off, developing commodity production and improving production techniques are new in the course of rural development. We should treasure, cherish and actively support them. The most effective support is to give them the necessary social services and satisfy their information, supply marketing and technical progress demands. In localities with the necessary conditions, specialized households engaged in grain production or production of a developmental nature may be given necessary economic encouragement through various measures such as the balancing of the income of various trades in a cooperative economic body. Some cooperative economic organizations which practice "unified management, contracts for special lines of production, and distribution according to contract terms" have played a positive role in promoting commodity production by organizing specialized teams or specialized groups in addition to signing contracts with specialized households. We should sum up and further improve their experience.

The development of specialized households is a part of economic development. It is inadvisable to set rigid unified standards and development targets for specialized households and the material rewards and financial assistance given to them should be moderate, because the economic situation in various localities is uneven.

We should encourage association of various partnership forms, such as techniques, work force, capital and materials, so that the peasants can make use of their specialities and the association can gradually grow to a suitable size.

E. After the separation of communes from the administration, rural economic organizations should be set up according to the needs of the production development on a voluntary basis by the masses. Their form and size may vary, and should not be arbitrarily decided by higher authorities.

Generally speaking, we should set up regional cooperative economic organizations on the basis of public land ownership in order to perfect the system of integrating unified management with decentralized management. These organizations may be called agricultural cooperatives, economic combines, or other names selected by the masses. They may be set up within the limits of villages (production brigades or combined brigades [lian dui 5114 7130]), or set up as team-level production units. They may be completely separated from the villagers' committees. They may also share the leading bodies with the villagers' committees. The cooperative economic organization set up within the limits of a village is not permitted to indiscriminately transfer the assets of the original production team. The team's creditor's rights or debts should be properly handled. In addition, the peasants may also voluntarily participate in or organize various specialized cooperative economic organizations of various forms and sizes without being subject to geographic restrictions.

Economic entities transformed from communes should fully play their role as economic organizations.

Communes with poor economic forces may set up economic combination organizations or coordinated service organizations of various forms according to their specific situation and the masses' aspirations. However, such organizations do not have to be set up in places where the necessary conditions are lacking. The relationship between these organizations and regional economic cooperative organizations or other specialized economic cooperative organizations is no longer one of administrative subordination or gradual transition, it is one of equality and mutual benefit, or coordination and guidance.

IV

It is necessary to improve social services and promote the development of rural commodity production. It is necessary to mobilize and organize the forces of various quarters to establish step by step a fairly adequate system of services for commodity production in order to satisfy the peasants' demands in techniques, capital, supply, marketing, storage, processing, market information and operational guidance. This is a task of great urgency, a basis for the development of commodity production, and an indispensable link in cooperative economy, as well as an important way for the state to provide planned guidance for rural economy.

A. All state economic departments and all trades and professions should energetically support agriculture. They should attach particular importance to supplying agriculture with inexpensive and good quality industrial products for agricultural use and guaranteeing constant improvement of the conditions for agricultural production. All enterprises and institutions set up by the state in the countryside, such as the state agricultural, forestry, livestock and fish farms, industrial and mining enterprises, and water conservancy, hydroelectric power, geological prospecting and scientific experiment and popularizations units, should learn from the People's Liberation Army in strengthening ties with nearby peasants. They should offer various necessary services to the peasants in a principle of mutual benefit, joint the peasants in building material and spiritual civilizations in the countryside, and make new contributions to promoting commodity production, strengthening the worker-peasant alliance and building a new socialist countryside. The leading organs of these enterprises and institutions should make specific and relevant arrangements.

B. The structural reform of the supply and marketing cooperatives should be carried on in a thorough way so that the supply and marketing cooperatives will truly become a cooperative enterprise collectively owned by the peasant masses. The reform meets the demands of the peasants as well as the needs of the development of the supply and marketing cooperatives. We must know that the more the supply and marketing cooperatives restore the nature of the mass cooperative enterprises and firmly establish the notion of serving agriculture and the peasants, the more attractive they will become to the masses, play a special role in rural commodity circulation, and successfully accomplish the tasks entrusted to them by the state and those demanded by the peasants. If the supply and marketing cooperatives fail to restore this nature, they will wither with each passing day and will eventually be unable to justify their existence. Therefore, the supply and marketing cooperatives at all levels should practice independent accounting and assume sole responsibility for their profits or losses. They should also reform relevant systems according to the nature of cooperative enterprises. After structural reform, the supply and marketing cooperatives must properly expand the range of their business and operate in a more flexible way. The purchasing agencies assigned to the countryside by specialized state-operated corporations should entrust their planned purchase to the supply and marketing cooperatives as much as possible, in addition to buying directly from nearby peasants in the principle of making things convenient for the people. The supply and marketing cooperatives should also actively offer services in connection with production and people's livelihood and should gradually become multi-service centers in the countryside.

It is necessary to develop associations of various forms embracing agricultural, industrial and commercial functions, help them produce and sell more products, thus turning the supply and marketing cooperatives into economic organizations with which the peasants share an interest and making those cooperatives an economic link between the state and the peasants.

C. The credit cooperatives should undertake reform and truly become mass banking organizations which independently conduct deposit and loan activities in compliance with the state's banking policies and under the leadership and supervision of the agricultural bank. More loans may be extended where there are more deposits. The credit cooperatives may conduct rural industrial and commercial credit loan business if they can satisfy the agricultural loan demands. The interest rates for loans may float. Agricultural banks should strive to improve their operations and firmly do a good job in the rural credit loan service.

D. Regional cooperative economic organizations should shift the emphasis of their work to serving the peasants. First, they should do a good job in land management and contract management. Next, they should successfully manage water conservation facilities and farm machinery; organize plant protection, epidemic prevention and scientific and technological popularization; build farmland and water conservation capital construction projects; and offer other preproduction and postproduction services. They should not solely rely on their own forces. It is even more important for them to support the development of the specialized households which offer various services; work in cooperation with supply and marketing cooperatives, credit cooperatives, agricultural-industrial-commercial complexes, diversified economy service companies, supply and marketing management departments for commune-run and brigade-run enterprises, warehouses, agricultural and forestry techniques popularization stations, veterinary stations, farm machinery stations, management guidance stations and other enterprises and institutions; and offer still better services to the peasants.

E. Service is also a form of labor exchange. Generally speaking, it should be paid for and should give the peasants a free choice. Only in this way, can the service be lasting and effective and remain in good condition.

V

Circulation is an indispensable link in the chain of the commodity production process. To grasp production, we must grasp circulation. At present, the problem of circulation incommensurate with the development of rural commodity production is becoming increasingly noticeable. We must adhere to the principle of taking the planned economy as the leading factor, while supplementing it with market regulation, and we must keep to the guideline of relying on the all-round efforts of the state, collectives, and individuals to continue the work of reforming our rural commodity system and to further invigorate the rural economy. While invigorating the economy, we must strengthen control and overcome the negative state of affairs which might appear.

A. Continued efforts should be made to adjust the purchase and sales policy applied to farm and sideline products. With the development of production and the improvement of market supply, the variety and quantity, subject to unified or fixed state purchases, should be further reduced. The marketing of live and highly perishable goods should be as flexible as possible with reasonable price differentials for different seasons and areas. This is aimed at making the prices flexible to encourage production and reduce losses due to rotting and deterioration. Special production bases may be set up or the goods may be paid for with the means of production at reasonable prices as a trial measure to meet the export needs and ensure the supply to big cities.

Prices should be really flexible for commodities of the third category and for those products which are not included in the state's unified or fixed purchase. State-run commerce and supply and marketing cooperatives should be allowed flexibility in setting their commodities prices in order to maintain a reasonable differential rate between the buying and selling prices, to engage in market competition, and to play a role in regulating the market. Commercial operations should be simplified as much as possible. Arrangements should be made for the flow of goods from the place of production directly to where they are marketed.

B. The purchase of farm and sideline products should be improved. To provide guidance to the peasants in ensuring planned production, quotas should be established with the production units for the unified or fixed purchase of farm and sideline products by the state. Once established, such quotas will not be changed for several years. For the purchase of large quantities of third-category products and other products not included in the plan, contracts should also be signed with the peasants before their production arrangements are made. Once the purchase and sales contracts have been signed, they are not to be arbitrarily changed by any party. Methods for the supply of chemical fertilizer, diesel oil, and other means of production should also be earnestly improved.

In those areas where producers of major commodities are concentrated, producers associations may be organized and representatives elected to exchange information and coordinate work with the local purchasing units in solving problems of common concern.

C. It is necessary to rely on the efforts of the state, collectives, and individuals to raise funds in various ways for building basic installations such as cold storage plants, warehouses, and transportation and communications facilities. The state as well as local financial departments should make appropriate arrangements in this regard. The state-run commerce and supply and marketing cooperatives should set aside a certain percentage of money from their after-tax profits to be used for building these installations. Those who build and manage these basic installations for commodity circulation are entitled to receive benefits and will be given preferential tax treatment by the state.

Great efforts should be made to develop water and land transportation in the countryside in order to solve the problem of some commodities not being sent to market. At present, it is particularly essential to solve the problem of transporting and selling grain. State-run transportation departments should go all out to improve their work and tap their potential. At the same time, active efforts should be made to promote transportation services operated by collectives and individuals and to encourage the establishment of transportation cooperatives.

Rural postal and telecommunications facilities, which are important media for conveying commodity information, should be continuously developed so that they will gradually become an extensive and relatively effective information network.

While making continued efforts to develop their agricultural trade markets, large and medium-sized cities should set up wholesale markets for farm and sideline products in a planned way. Where conditions permit, trade centers for farm and sideline products should be established in order to disseminate market information and arranging dealings in commodities for future delivery. This work should be included in the cities' construction plans.

D. A suggestion should be sent to the State Council that it instruct the departments concerned to form a special group to conduct systematic investigation and study of the commodity, circulation, and pricing systems and work out a radical reform plan.

Irrational ways of apportioning expenses among the peasants should be checked so that the peasants' burden of extra expenses can be diminished and a rational amount of funds for public services in the rural areas can be ensured. All government-subsidized public projects, such as rural education, family planning, militia training, special care to disabled servicemen and to the family members of martyrs and servicemen, communications and so forth, which were previously planned by the various departments concerned under the Central Committee and the State Council, must be reviewed and reformed one by one. From now on the township people's congress should create a budget in which the services do not exceed the limits of the peasants' economic situation. The budget, after it has been approved by the county people's government, should be used by the basic-level units under an overall plan. Such a budget should be made once each year, during which no supplementary budget should be made, nor collective funds be spent on those services. The ceiling for the overall budgets should be determined by various provinces, autonomous regions and municipalities directly under the central government according to the actual local situation. Except for those services, no department is allowed to charge peasants for any other expense. The previous practice of "accomplishing a project in a big way" must be resolutely guarded against. If the masses cannot afford a project, they should not be forced to do it.

Within a cooperative economic organization, the retention of funds for its various projects must be agreed upon through democratic consultations in accordance with its economic situation and capability.

Nonproductive expenditures must be curtailed, and the number of cadres must be reduced. Subsidies for them must be rational.

The above-mentioned expenses should not all be prorated according to the plot size. The proper way to collect such expenses should be determined by the masses of all localities through discussion.

Those communes and brigades which have not yet settled their financial affairs should make an effort to have the project accomplished within 1984.

VII

As the trend of dividing labor among the people of different trades continues to develop in the rural areas, more and more people will give up farming and take up forestry, animal husbandry and fishery production instead; a still greater number of people will become the workers of small industrial plants or join the service trades in small towns. This is an inevitable historical progression that will create conditions for further enhancing agricultural production in depth and breadth, and for changing the population and industrial distribution. If we fail to change the situation where "800 million peasants are producing food," neither the peasants nor our country will become well off, nor will our four modernizations ever be achieved.

Because the feed industry, food industry, construction material industry and small energy industry, springing up in rural areas today, are the industries people urgently need and because they can develop fairly quickly, they should be developed on a priority basis according to plan. Departments concerned and local authorities should take active steps in giving them guidance and support.

They should also encourage technicians in the cities to work in rural areas, initiate and organize the flow of qualified personnel and technical know-how among different areas and units so that the development of rural industry will be further expedited with an additional technical force.

The existing commune and brigade enterprises are the mainstay of the rural economy, and some of them act as indispensable supplements to the large industries in the cities. We must continue to consolidate the enterprises, establish and improve their responsibility systems, streamline their operation and management, adopt the appropriate technology to improve their economic performance and help them develop soundly.

The forms of the responsibility systems should be determined according to each enterprise's individual size, special features of production, and conditions of operation. The phenomena of a small number of people using their authority to monopolize and undercut all contracts and then seel them to make a profit must be guarded against.

Small family industrial undertakings, industrial undertakings operated by supply and marketing cooperatives, and industrial undertakings jointly operated by state-owned enterprises and commune and brigade enterprises all have their individual, irreplaceable economic roles and significance, and we should sum up our experiences in this regard and work hard to make the undertakings a success.

Rural industry should make full use of local resources and gear its output to the need of domestic and foreign markets, particularly the vast rural market, so that its superiority can be brought into play and that it can develop in coordination with urban industry.

Appropriate concentration of rural industry in towns, in addition to being able to conserve investment in energy, communications, storage, water supply and pollution control will also give impetus to the development of cultural and educational work and other services in those towns, gradually making them regional economic and cultural centers in the rural areas. The development of towns should be well-planned and attention must be given to land conservation. In 1984 all provinces, autonomous regions and municipalities directly under the central government may carry out pilot projects in certain towns where peasants who are engaged in industrial production, commercial work and service trades are allowed to settle, as long as they can take care of their grain ration.

VIII

The situation characterized by the underdevelopment of forestry, animal husbandry and fishery production, and shortage of commodity supply, must be reversed. We must continue to relax the policies so that the development of mountainous areas, bodies of water, and grasslands can be expedited. We should encourage grass sowing and tree planting, and improve pastures, so that agriculture, forestry, and animal husbandry can complement each other in the course of their development. We should also encourage the breeding of aquatic products and conservation of natural resources, so that the breeding of aquatic products and fishery can develop simultaneously. We should explore various food resources, improve the ecological environment, and gradually improve the economic and cultural standards of the impoverished areas and areas inhabited by national minorities.

We must continue to enforce "The Decision of the CPC Central Committee and the State Council on Protecting Woodlands and Developing Forestry." While following their comprehensive plan for logging, collectively-owned woodlands should leave an appropriate quantity of lumber for the nearby communes and brigades.

Such timber, and lumber felled during the tending of woods, and wood collected from out-of-the-way mountainous areas and along mountain trails, as well as semifinished products made from such timber, should be collectively marketed, or used for trading food grain or other goods with neighboring localities, by the county forestry department or another unit commissioned by it. Most of the profits earned from such dealings should belong to the foresters.

In accordance with the state or collective plan, whoever grows grass or plants trees in barren hills, uncultivated sandy areas, or by rivers, owns whatever he plants. This policy will remain unchanged for a long time. Moreover, what has been planted in those areas is inheritable, or can be sold. Whenever trees are felled according to law, the timber is at the owner's disposal. The due interests of those families engaged in specialized production, who have contracted small river-side plots for development, must be especially ensured.

There should also be a basic quota for the procurement of livestock products produced in pastoral areas. When the quotas stipulated in the contracts have been met, the remaining livestock products should be allowed to be sold or purchased at negotiated prices. Wherever conditions permit, direct trade between industrial goods and such industrial raw materials as wool and hides should be permitted, and livestock should also be allowed to graze at various other locations.

While adopting a responsibility system governing the tending of livestock, the pastoral areas should also determine the right of using the grassland by instituting a responsibility system governing the use of grassland. We should encourage the herdsmen to carry out capital construction for the development of animal husbandry, preserve grassland and improve grass strains, to increase grass output, maintain a balance between grass output and livestock production, and increase the livestock commodity rate.

We should also give consideration to those families engaged in seawater or freshwater breeding, or in processing of aquatic products, in terms of procuring and storing their products, giving them credits, providing them with good seed strains and feeds, and technical service.

The state-owned farms should continue to carry out reform, and operate under the system of contracted responsibilities with remuneration linked to output, and they should do a good job in supporting family-operated farms. Those farms which are highly mechanized, and for which contracts for family-size units are inappropriate, may accept farming contracts by their mechanized units. We should encourage those complexes engaged in agricultural reclamation of agricultural-industrial-commercial operations to work with the peasants in their neighborhoods to develop the processing of agricultural products, or establishing other joint ventures. Such undertakings will not be restricted by the regulations of the division of work in commodity production, nor by regional or departmental control.

IX

We must strengthen leadership over rural work, improve the cadres' competency, and train more personnel proficient in rural construction.

China's countryside is in the process of an historical transition. Everyone within the party, leaders and ordinary members alike, is confronted with conducting a re-appraisal. Cadres at all levels, and of all departments, must guard against arrogance and rashness, proceed from the actual needs, investigate and study in a down-to-earth manner, strive to become proficient in economic and natural law, and work hard to achieve a significant change and improvement in thinking, capability, method of work and work style.

Today, rural work no longer simply means being able to achieve the targets for several major products; it means that we must attach great attention to comprehensive development. This means that not only must we increase production, we must also guide the peasants to master economic accounting and pay attention to economic results; it means that, not only must we pay attention to production, but also exchange, distribution, consumption, and other aspects as well; it also means that, not only must we pay attention to agriculture, but also all other economic sectors, as well as development of cultural, educational, scientific and technical work, as well as public health and sports.

We need not only qualified leaders, but also a large number of personnel with new qualifications to engage in production and other operations. Starting this year we should train competent personnel, on a nationwide scale, in a planned way. Education in political policies, science and technology, and operations and management should be carried out simultaneously. We should try to give rotational training to all principal cadres and all kinds of technicians at the grassroots level in 3 to 5 years. In the meantime, we should train, in rotation, some of the educated youth, members of specialized households, and capable laborers in rural areas. Outstanding ones should be selected from among them, and after passing the necessary examinations, should be sent to colleges or secondary vocational schools for further training in their respective specialties. Training plans should be formulated for various countries. Training centers should be set up, and various kinds of professional schools and training seminars should be established. Moreover, we should pay attention to discovering outstanding personnel, and boldly promote them to leadership positions at the grassroots level.

The more flexible the party's rural policy and the more developed the commodity economy, the more the need to strengthen ideological and political work, and cultural and educational undertakings in the rural areas. Party organizations at all levels should fully understand that it is our party's long-term strategic principle to grasp the building of the socialist material and spiritual civilizations simultaneously. While we do not put forward the slogan of eliminating spiritual pollution in the rural areas, neither should we relax the ideological and political work there. In recent years, there have been serious problems in the rural areas, such as feudal superstition, theft, gambling, persecution of women, dissemination of pornographic books and magazines, and extremely unhealthy literary and art activities. It is imperative to take effective measures to solve these problems. In the course of work, we should make a clear distinction between the matters of different natures. We should not confuse economic activities permitted by the policy with unhealthy practices, nor should we mix the ordinary deviation of the peasants' activities from economic policy with economic crimes. For the most part economic problems should be solved by strengthening guidance and control, while ideological problems should be solved by positive education, nor should it be dealt with in an oversimplified way. While continuing to improve the peasants' economic position, we should educate them in Marxism-Leninism-Mao Zedong Thought, and in patriotism and socialism, and develop the campaign of "five stresses, four beauties, and three loves," and the activities to build civilized villages, civilized enterprises, and five-good families. The purpose is to enhance the peasants' ability to resist corruption by capitalist and feudal ideas, and to ensure the implementation of party's policies and the fulfillment of various economic tasks.

In recent years the broad masses of party members and cadres in the countryside have set a good example in implementing the party's policies, actively participated in doing manual labor, maintained close ties with the masses, and made contributions to helping enhance the party's prestige among peasants.

However, there are also a very few party members and cadres, who have made use of their authority to seek personal gain, appropriated public property, and encroached upon the interests of the state, the collective and the masses in the course of introducing more flexible policies. This has prompted stern disapproval from the masses. This type of practice is incompatible with their status as party members and cadres. They must be educated and helped to promptly correct themselves. Those who stubbornly refuse to correct themselves should be seriously dealt with.

Efforts must be made to strengthen their building of rural party organizations. It is necessary to carry out party rectification in accordance with the plan of the central authorities; purify the party organizations; bring into full play the party's fine traditions; raise the combat strength of party organizations; change the signs of flabbiness and lack of unity; and lead the broad masses of Communist Party and CYL members, and those activists for socialist construction, and unite with hundreds of millions of peasants to work harder than ever in building a new socialist countryside.

NPC VICE CHAIRMAN EXPLAINS REGIONAL AUTONOMY LAW

HK121315 Beijing RENMIN RIBAO in Chinese 4 Jun 84 p 3

[XINHUA report: "Explanation of the 'Law on Regional Autonomy for Minority Nationalities of the PRC (Draft)' -- Given by Ngapoi Ngawang Jigme, Vice Chairman of the NPC Standing Committee and Chairman of the NPC Standing Committee Nationalities Commission, at the Second Session of the Sixth NPC on 22 May 84"]

[Text] Delegates:

The law on regional autonomy for minority nationalities began to be drafted in 1980. Over the last few years the drafting group, comprised of the NPC Nationalities Commission and the State Nationalities Affairs Commission has carried out investigation and study in some minority nationality regions and the provinces concerned and solicited opinions in various provinces, autonomous regions, municipalities, directly under the central government, autonomous prefectures, autonomous counties, and ministries and commissions under the State Council on drafting the law. After repeated amendemnts, the law was finally drafted and submitted to the NPC Standing Committee for review and amendment. In line with the results of the review by the NPC Standing Committee, I would like to give explanations on the following questions concerning the draft law.

I

Regional Autonomy for Minority Nationalities Is China's Basic Political System

Our country is a unified, multinationality country. Apart from the Han nationality, there are 55 minority nationalities throughout the country. Through protracted historical development, the people of various nationalities have created a brilliant culture for the motherland. They have made great contributions to the revolutionary struggle against imperialist aggression and against oppression and exploitation by reactionary rule and to socialist revolution and socialist construction. They have maintained flesh-and-blood ties with each other in the protracted revolutionary struggle and in the course of economic and cultural exchanges.

The CPC has always maintained that all nationalities, large and small, should be treated equally and that they should implement the policy of equality, unity, and prosperity. The founding of the PRC marks the end of the national oppression and the beginning of the era of national equality.

The CPC has formulated a policy on regional autonomy for minority nationalities in the light of China's historical conditions, the relationships between various nationalities, and the distribution of various nationalities. Being an important policy, it has been solemnly included in the "Common Program of the CPPCC" and the "Constitution of the PRC," and it enjoys support from the people of various nationalities. Now 116 minority nationality autonomous areas have been established in China, which include 5 autonomous regions, 31 autonomous prefectures, and 80 autonomous counties [qi 2475]. The total administrative areas of these autonomous areas is about 6.1 million square km, 60 per cent of the total area of China's territory. The total population of these autonomous areas is 120 million people, of which minority nationalities amount to 50 million. Over the last 30 years, although complications have arisen, great successes have been achieved in implementing the policy on regional autonomy for minority nationalities. Equality, unity, and mutual aid have been established in the socialist relationships between various nationalities in the country. Experience has proven that practicing regional autonomy for minority nationalities in our unified, multinationality country will not only protect the right of minority nationalities to administer their own nationalities, but will also safeguard national unity and the unification and independence of the country. In addition, practicing such autonomy will guarantee that the country can resist foreign aggression and subversion. The policy on regional autonomy for minority nationalities is a correct policy which is suited to the concrete conditions of China.

In 1952 members of the central government promulgated the "Program for Practicing Autonomy in Minority Nationality Regions," which played an important role in implementing regional autonomy for minority nationalities. However, many of the program's provisions do not correspond to the needs of socialist modernization. It has become an urgent wish and requirement of the people of various nationalities throughout the country and of various autonomous areas to work out a law on regional autonomy for minority nationalities in line with the stipulations of the constitution and on the basis of summing up the experiences and lessons over the past 30 years since the founding of the PRC, including the lessons of the "Cultural Revolution," in order to guarantee that regional autonomy for minority nationalities can be healthily effected.

II

The Basic Principles for Formulating the Law on Regional Autonomy for Minority Nationalities

The draft law on regional autonomy for minority nationalities was formulated in accordance with the Constitution. The Constitution was worked out by people of various nationalities. It represents the fundamental interests and common wishes of the people of various nationalities. In a legal form it affirms the results of the struggles of the people of various nationalities and stipulates the state fundamental system and task. It is the fundamental law of the state and is the basis for the formulation of all laws. The policy on regional autonomy for minority nationalities is put into effect according to the basic principles and stipulations on regional autonomy for minority nationalities carried in the Constitution.

Adhering to the four basic principles -- the socialist road, the people's democratic dictatorship, CPC leadership, and Marxism-Leninism-Mao Zedong Thought -- is the political basis of the people of various nationalities in their advance and is the fundamental guarantee of prosperity. In effecting regional autonomy for minority nationalities, it is necessary to adhere to the four basic principles. This is the fundamental guideline for drafting the law on regional autonomy for minority nationalities.

Regional autonomy for minority nationalities is practiced through autonomous organs in minority nationality autonomous areas under the unified leadership of the state. The draft law can correctly handle the relationship between autonomous areas and the state. On the one hand, minority nationality autonomous areas are integral parts of the PRC, and therefore it is necessary to safeguard the unity of the country in order to guarantee that the central government can exercise unified leadership and can implement its general principles, policies, and plans in various autonomous places. On the other, it is necessary to guarantee that the autonomous organs in various autonomous areas can exercise their autonomous rights and to consider the characteristics and needs of various autonomous areas so that they can have more autonomous rights than ordinary localities. Because the population structure in minority nationality autonomous areas is complicated, the draft law guarantees that these autonomous places can have the right to handle matters concerning minority nationalities. In addition, it also protects equality, unity, and mutual aid among various minority nationalities in order to achieve common prosperity among them.

III

The Forming of Autonomous Organs

The autonomous organs of minority nationality autonomous areas are people's congresses and people's governments in autonomous regions, autonomous prefectures, and autonomous countries. Autonomous organs will practice the principle of democratic centralism. Because people's congresses and people's governments in autonomous areas are both organs of state power and autonomous organs, the draft law provides the following stipulations on forming autonomous organs.

First, minority nationality citizens of minority nationality autonomous areas can be elected chairmen of autonomous regions and leaders of autonomous prefectures and autonomous counties; and minority nationality citizens of minority nationality autonomous areas can be elected chairmen or vice chairmen of the standing committees of people's congresses in autonomous areas. This is a very important stipulation in forming autonomous organs in minority nationality autonomous areas.

Second, the number and percentage of minority nationality delegates to the people's congresses in minority nationality autonomous areas will be decided on by the standing committees of provincial or autonomous regional people's congresses according to the draft law. In line with this stipulation, certain consideration will be given to the number and percentage of minority nationality delegates in the autonomous areas where minority nationalities account for a small percentage of the population.

Third, minority nationalities should have a certain percentage in the people's governments in minority nationality autonomous areas. That is, minority nationality cadres basically possessing the necessary conditions should be given priority when electing cadres for these governments.

In light of the actual and historical conditions in minority nationality areas, this stipulation guarantees the percentage of minority nationalities in autonomous organs, which is beneficial to strengthening the relationships between autonomous organs and the people and to implementing the policy on regional autonomy for minority nationalities.

IV

Autonomous Rights of Autonomous Organs in Minority Nationality Autonomous Areas

The Constitution provides stipulations on the autonomous rights of autonomous organs in minority nationality autonomous areas.

In line with the spirit of these stipulations, the draft law that autonomous organs in autonomous areas can work out and implement autonomous regulations and that they can adopt special policies and flexible measures under the principle of observing the Constitution and law. The draft law also stipulates that decisions, orders, and instructions of the higher organs of state power may be altered or their implementation suspended with the approval of the higher organs of state power concerned if these decisions, orders, or instructions do not correspond to the actual conditions of minority nationality autonomous areas. These stipulations will enable autonomous areas to have enough decisionmaking rights in implementing the state's policy and law according to actual conditions.

It is very important that autonomous areas should have autonomous rights to manage and arrange their own economy, culture, and construction. For this reason, the Constitution stipulates: Autonomous organs have the "autonomous right to manage local finances," to "arrange and manage local economic and construction work under the guidance of state plans," and to "exercise management over local educational, scientific, cultural, health, and sports undertakings." The draft law on regional autonomy for minority nationalities provides a series of specific stipulations.

With regard to economic construction, it stipulates the following: 1) Autonomous areas can work out principles, policies, and plans for economic construction under the guidance of the state's plans and according to the local characteristics and needs; 2) autonomous areas can rationally readjust production relations and reform the economic management system according to legal provisions and in light of their economic development; 3) autonomous areas can arrange their own capital construction projects according to their financial and material resources; 4) autonomous places can exercise autonomous management over enterprises and trades under their jurisdiction; without the approval of autonomous areas, the higher organs of state power are not allowed to change the subordinate relationships between enterprises in autonomous areas; 5) in accordance with legal provisions, autonomous areas can exercise management over and protection of natural resources in autonomous areas and can determine the rights to own and use pastureland and forests in autonomous areas; they have priority in rationally exploiting natural resources in autonomous areas; 6) special policies should be adopted and preferential treatment should be given to various personnel in order to encourage them to engage in various construction projects to be run in autonomous areas; 7) autonomous areas have the autonomous right to arrange and use industrial and agricultural products and other native products after fulfilling state purchase plans; 8) with the approval of the State Council, autonomous areas can open up foreign trade ports, and the state will provide preferential treatment for the percentage of money to be retained from foreign exchange. These stipulations have an important bearing on enlivening the economy and accelerating economic development in autonomous areas in light of their specific conditions.

With regard to finances, it stipulates that revenue belonging to autonomous areas will be arranged by autonomous organs; the higher financial organs will subsidize autonomous areas where expenditure exceeds revenue (from 1979 to 1983, the state provided subsidies of 24.5 billion yuan for a five autonomous regions and Yunnan, Guizhou, and Qinghai Provinces, where there are many minority nationalities, and of the total, 5.6 billion yuan was provided in 1983); autonomous areas can enjoy funds provided by the state for special purposes and temporary subsidy funds; the state will establish a flexible fund for autonomous areas and will budget more funds for them than for ordinary localities; and while carrying out state taxation, certain reductions or exemptions from taxes can be practiced in autonomous areas with regard to their revenue with the approval autonomous areas with regard to their revenue with the approval of autonomous regions (or provinces).

All this shows that in the financial field, autonomous areas not only enjoy sufficient decisionmaking rights, but are also given special consideration by the state.

With regard to education, it stipulates: Autonomous organs in autonomous areas have the right to develop minority nationality education and to decide on educational plans, facilities in schools, the education system, the forms in which schools are run, the contents of teaching, the languages to be used in teaching, and the methods of enrollment; local governments should establish boarding primary and middle schools in minority nationality pastoral areas and in minority nationality mountainous areas and should provide subsidies for the students studying in these schools; and in primary schools where a great many of the pupils are minority nationalities, reading books in minority nationality characters should be used and minority nationality dialects should be adopted in teaching. It should be pointed out that students studying in minority nationality middle schools or in higher grades of minority nationality primary schools should also learn Mandarin and the Han characters apart from learning minority nationality dialects. This is very important in promoting cultural exchanges and in enhancing the cultural and scientific level of minority nationalities.

With regard to culture, the draft law stipulates: Autonomous organs have the right to develop cultural undertakings with minority nationality characteristics such as art and literature, press publications, broadcasting, films, and television; and they have the right to draw up construction plans for their medical and health services, to produce traditional, minority nationality medicine, and carry out traditional, minority nationality sports activities in order to develop minority nationality cultural traditions.

The above stipulations embody the autonomous rights of autonomous areas to manage local economic, cultural, and educational undertakings and embody their autonomous rights to handle their own affairs. Establishing these rights in a legal form will play an increasingly important role in consolidating and developing the policy on regional autonomy for minority nationalities and in accelerating economic, cultural, and educational development in autonomous areas.

V

Assistance Given by the Higher Organs of State Power

The economy and culture in minority nationality areas are generally backward. This is a kind of inequality left over from history. The fundamental way to get rid of such inequality is to energetically help minority nationalities develop their economy and culture. This is a long-term, fundamental task. When the economy develops, production goes; when culture develops, education thrives. Only in this way can minority nationality cadres and experts be trained and such inequality be gradually solved. To realize this historical task, the Constitution stipulates: "The state will help minority nationality areas speed up economic and cultural development in light of the characteristics and needs of minority nationalities." In accordance with this spirit, the draft law provides the following stipulations: In working out plans for national economic and social development, the higher organs of state power should give consideration to the characteristics and needs of minority nationality autonomous areas; the state should establish special funds for autonomous areas; special consideration should be given to commercial, supply and marketing, and medical enterprises in autonomous areas; in distributing production materials and the means of livelihood, special consideration should be given to the needs of autonomous areas; in investment, loans, taxation, production, supply, transportation, and marketing, it is necessary to help autonomous areas rationally use local resources to develop local industry, communications, and energy, as well as commodities and traditional handicrafts which are urgently needed by minority nationalities.

It is also necessary to support economically developed areas in carrying out economic and technological cooperation with autonomous areas; when exploiting resources and carrying out construction in autonomous areas, it is necessary to give consideration to the interests of autonomous areas, to make arrangements which are beneficial to economic construction in autonomous areas, and to give consideration to the production and livelihood of minority nationalities; and in accordance with the needs of autonomous areas, it is necessary to adopt various forms to send a certain number of teachers, doctors, scientific and technological personnel, and managerial personnel to autonomous areas to help them develop their economy, culture, and education.

It should be pointed out that to change the backward situation in the economic and cultural fields in autonomous areas, it is necessary to rely on the common efforts of minority nationalities. Therefore, the draft law stipulates: "Autonomous organs in autonomous areas should lead minority nationalities in centralizing efforts for socialist modernization" and "autonomous areas should develop the spirit of self-reliance and hard struggle and strive to develop their socialist construction cause in order to contribute to the construction of the country." However, state assistance for minority nationality areas still remains a very important factor. These stipulations indicate that the state gives special consideration to minority nationality areas, areas, that the policy of the party and state on minority nationalities is in the interests of minority nationalities, that this policy embodies the socialist relationships of unity and mutual aid between minority nationalities, and that this policy is a fundamental guarantee for protecting the interests of various minority nationalities in our unified, multinationality country.

VI

Training and Allocating a Large Number of Minority Nationality Cadres, Professional Personnel, and Technological Workers

Training and allocating a large number of minority nationality cadres, professional personnel, and technological workers has been a consistent policy of the party and state as well as a fundamental problem in practicing regional autonomy for minority nationalities. It is necessary to make up our minds to solve this problem.

The draft law stipulates: "In accordance with the needs of socialist construction, autonomous organs in autonomous areas should adopt various methods to train a large number of cadres, scientific and technological personnel, managerial personnel, and technological workers," and "the higher organs of state power should help autonomous areas train cadres, professional personnel, and technological workers."

To train a large number of minority nationality cadres and professional personnel, the draft law stipulates: Autonomous organs should run minority nationality teachers' schools, minority nationality secondary technical schools, minority nationality professional schools, and minority nationality colleges; the state should run minority nationality colleges and minority nationality classes in institutions of higher learning in order to facilitate the enrollment of minority nationality students in these colleges and classes; and institutions of higher learning and secondary technical schools should lower the standards and requirements for enrollment for minority nationality students in order to enable them to study in institutions of higher learning or secondary technical schools.

The purpose of training them is to use them. With regard to cadres of departments affiliated with the people's governments in autonomous areas, the draft law stipulates: "It is necessary to do our best to allocate minority nationality personnel in autonomous areas."

That is, it is necessary to give priority to the allocation of minority nationality cadres who are up to standard. The draft law also stipulates that when recruiting personnel, state-run enterprises and commercial units in autonomous areas should give certain priority to minority nationalities. "When recruiting personnel, enterprises and commercial units in the autonomous areas should give priority to minority nationalities. They should also recruit personnel from among minority nationalities in the rural areas."

Some minority nationalities tell us that the percentage of minority nationality cadres and workers in enterprises and commercial units is too small compared with the total numbers of minority nationalities; this is a big problem. The draft law provides a series of important stipulations with regard to training, allocating, and using minority nationality personnel. Conscientiously implementing these stipulations will effectively change this situation. This is very important to developing autonomous areas and to strengthening unity between various minority nationalities. The draft law also stipulates that enterprises and commercial units can recruit personnel from among minority nationalities in the rural areas in order to expand the minority nationality working class contingent. This has far-reaching significance.

VII

Strengthening and Developing Socialist Relationships Between People of Various Nationalities

Experience has proven that practicing regional autonomy for minority nationalities has played an important role in establishing and promoting the socialist relationships of equality, unity, and mutual aid between the people of various nationalities. This is an important guarantee for creating successes in the socialist cause. In all chapters of the draft law, attention is paid to the principle and spirit of strengthening and developing socialist relationships between the people of various nationalities. In this sense, the law on regional autonomy for minority nationalities is a law for safeguarding and developing socialist relationships between the people of various nationalities.

The draft law stipulates: In the political field, autonomous organs and the higher organs of state power should safeguard equality and unity between the people of various nationalities; in the economic and cultural fields, they should strengthen mutual aid and cooperation between the people of various nationalities; and autonomous areas should carry out economic and cultural exchanges and cooperation with other localities throughout the country in order to achieve common prosperity among the people of various nationalities throughout the country. The draft law also stipulates that autonomous organs in autonomous areas should carry out education on patriotism, communism, and the policy toward minority nationalities. The draft law stresses that cadres and masses of various nationalities should respect each other, help each other, and learn from each other. In particular, cadres of various nationalities working in the same area should learn from each other. Cadres of the Han nationality should study minority nationality dialects and characters, and minority nationality cadres should study Mandarin and the Han characters in the course of studying and using their own dialects, in order to strengthen unity between the people of various nationalities and to advance the work in various fields.

To strengthen and develop socialist relationships between the people of various nationalities, the draft law stipulates in the preface that it is necessary to oppose chauvinism, which manifests itself in two types, that is, Han nationality chauvinism and local nationality chauvinism. In autonomous areas it is necessary to oppose Han nationality chauvinism, other great nationality chauvinism, and local nationality chauvinism.

These erroneous ideological tendencies are harmful to the unity of the people of various nationalities. However, they are of the category of contradictions among the people and should be solved in a democratic manner, by holding discussions and by practicing criticism and self-criticism. They should not be handled in such a manner as that of tackling contradictions between the enemy and ourselves. Of course, engaging in treachery and splitting the country are problems of a different nature.

The stipulations on the relationships between the people of various nationalities carried in the draft law on regional autonomy for minority nationalities are to enable the people of various nationalities to strengthen national unity and consolidate the unification of the country by adhering to the four basic principles and to enable them to strive for social modernization and for the common prosperity of the people of various nationalities.

The formulation and promulgation of the PRC law on regional autonomy for minority nationalities is an important matter in the political life of the country. This will certainly be welcomed by the people of various nationalities and will enjoy support from them.

The draft law and my explanations are for your examination and approval.

RENMIN RIBAO Editorial

HK070807 Beijing RENMIN RIBAO in Chinese 4 Jun 84 p 2

[Editorial: "Earnestly Implement the Law on Regional Autonomy for Minority Nationalities"]

[Text] At the time when the people of all nationalities throughout the country are fighting in unity and creating a new situation in all fields of socialist modernization, the "PRC Law on Regional Autonomy" adopted by the Second Session of the Sixth NPC is promulgated by President Li Xiannian and will take effect 1 October 1984. This is a major achievement in the building of China's socialist democracy and legal system, which indicates that the system of regional autonomy in China has entered a new development stage.

In his political report to the 12th CPC National Congress, Comrade Hu Yaobang pointed out: "Unity, equality, and common prosperity among the nationalities are of vital importance to destiny of China as a multinational country." The party's policies on regional autonomy are the basic policies for realizing equality, unity, and common prosperity among the nationalities and for solving the problems among the nationalities in China. Regional autonomy, as an important political institution in China, is included in the "PRC Constitution." In light of the basic principles stipulated in the Constitution and according to the needs of the general tasks of the party and state during the new period, the "law on regional autonomy" has, in the form of law, defined the experience of practicing regional autonomy in China for the past 30 years or so and particularly the major policies formulated by the CPC Central Committee since the 3d Plenary Session of the 11th CPC Central Committee which are advantageous to the strengthening of unity among various nationalities and the exercising of autonomy by the self-government organs in the national autonomous areas. This law will play an immense role in further perfecting and developing the system on regional autonomy, further consolidating the unification of the state, developing the socialist relations among the different nationalities characterized by equality, unity, and mutual aid, and accelerating the economic and cultural development of the national autonomous areas. This law is the basic law which implements the system on regional autonomy as stipulated in the Constitution and is the important law which guarantees the long-term stability of the state, the smooth development of the four modernizations, and the common prosperity of all nationalities.

China is a unitary multi-national socialist state and regional autonomy is practiced within the unitary state. The socialist construction in the national autonomous areas should be carried out under the unified leadership and plans of the state. Since the social, historical, and natural conditions of all nationalities differ from each other, the problems appearing in socialist construction display general specific characteristics. Therefore, the law on regional autonomy has stipulated that the self-government organs have the power to implement the law and policies of the state according to actual conditions of their localities, have the power to enact autonomy regulations and specific regulations in light of the political, economic, and cultural characteristics of the nationality or nationalities in the areas concerned; can, with the approval of the state organs at higher levels, make adaptations or stop the implementation of the resolutions, decisions, orders, and instructions issued by the state organs at higher levels which are not suitable to the actual conditions of the national autonomous areas, and may adopt special policies and flexible measures, which do not oppose the principles of the Constitution and laws, to accelerate the economic and cultural development of the national autonomous areas. The law on regional autonomy has also stipulated that the self-government organs may formulate the principles, policies, and plans for their economic construction in line with local conditions under the guidance of state plans; and may rationally readjust the production relations and reform the economic management system according to the stipulations of the laws and the characteristics of local economic development and under the premise of upholding the socialist road. All of these stipulations are advantageous to rousing the initiative and enthusiasm of the people of all nationalities to build prosperous national autonomous areas and a strong socialist country.

In order to accelerate the economic and cultural development of the national autonomous areas, it is necessary, on one hand, to rely on the self-government organs of the national autonomous areas in appropriately wielding their autonomy, to advance the spirit of self-reliance, plain living, and hard struggle of the local nationalities, and strive to vigorously develop the socialist construction of each locality. On the other hand, it is necessary to rely on the leadership and the support of state organs at higher levels. The self-government organs of the national autonomous areas are the first level local political powers of the state. All of their work, especially economic and cultural (construction) should be carried out directly under the leadership and unified planning of the state organs at higher levels. Therefore, the law on regional autonomy has clearly defined: "The state organs at higher levels ensure the autonomy exercised by the self-government organs of the national autonomous areas and makes effort to help accelerate the development of socialist construction in the national autonomous areas in light of their characteristics and needs."

In accordance with the positive and negative experience of implementing regional autonomy in the past 30 years, the law on regional autonomy has made a series of concrete stipulations concerning the leadership and help given by the state organs at higher levels. The resolutions, decisions, orders, and instructions issued by the state organs at higher levels to the national autonomous areas should be suited, as much as possible, to the actual conditions of the areas concerned. The state organs at higher levels give financial, material, and technical assistance to the national autonomous areas to accelerate their economic and cultural development, and give due consideration to the interests of the national autonomous areas and the production and life of the minority nationalities while exploiting natural resources and building enterprises there. Both the national autonomous areas and the state organs at higher levels should try by every means to train large numbers of cadres at different levels and specialized personnel and skilled workers of different professions and trades from among the nationality or nationalities in the locality.

These stipulations are extremely important for ensuring the autonomy exercised by the self-government organs, for accelerating the economic and cultural backwardness of the minority nationality areas, and for gradually realizing the common prosperity of all nationalities.

The implementation of the law on regional autonomy is an arduous task which calls for strengthening political and ideological work and removing all ideological obstacles. We must not only take note of preventing and overcoming the erroneous tendency of neglecting the unified leadership and planning of the state, but must also oppose the erroneous tendency which neglects and disrespects the equal rights of the nationalities and the autonomy of the self-government organs of the national autonomous areas. All of the conventions and old rules and regulations which do not accord with the stipulations of the regional autonomy law and which restrict the autonomy exercised by the self-government organs should be abolished or reformed. In order to build a strong and prosperous socialist country, we must not only relax the policies for the Han nationality areas but also for the national autonomous areas. We should not impose uniformity in the Han nationality areas, neither should we do it in the national autonomous areas. This is done precisely to respect the objective law and the will of the people of the minority nationalities and to genuinely practice regional autonomy.

As the law on regional autonomy is one of the basic laws of the state, it should be conscientiously implemented by the leading organs, organizations, enterprises, and institutions of the national autonomous areas and the state organs at higher levels and their enterprises and institutions in the autonomous areas. China now has 116 national autonomous areas and the concrete conditions of each national autonomous area differ from the others, therefore, it is possible only for the law on regional autonomy to make rather principled stipulations. In accordance with the Constitution and the law on regional autonomy and the practical circumstances of each locality, each national autonomous area may enact autonomy regulations and specific regulations.

To conscientiously implement the law on regional autonomy, it is necessary to adopt various means to carry out wide and profound publicity. The people of all nationalities should be organized to seriously study this law so that they can understand its basic spirit and the various important stipulations. We believe that the implementation of the law on regional autonomy will further manifest the superiority of the institution of regional autonomy in the new historical period, thoroughly arouse the initiative of the people of all nationalities in being masters of their own country, and play an immense role in strengthening national unity and unification of the state and in promoting the four modernizations of the state and the common prosperity of all nationalities.

PENG ZHEN, OTHERS WATCH POLICE TRAINING

OW130235 Beijing XINHUA Domestic Service in Chinese 1620 GMT 12 Jun 84

[Excerpts] Beijing, 12 Jun (XINHUA) -- Party and government leaders Peng Zhen, Yang Shangkun, Yang Dezhi, Yu Qiuli, Qin Jiwei, and Chen Pixian watched a performance of military skills by the People's Armed Police Force stationed in Beijing and some public security cadres and policemen on the morning of 12 June.

Since its establishment in April 1983, the People's Armed Police Force has carried out necessary reform in the Army's military training and administrative work in order to cope with the duties related to public security, frontier inspection, and fire prevention. The performance today demonstrated the military capability and professional competence of the Armed Police Force, as well as the mental outlook of the cadres and fighters.

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Public Security Minister and Political Commissar of the People's Armed Police Force Liu Fuzhi and Commander of the force Li Gang accompanied the central leading comrades during the demonstration.

Also present were responsible persons of departments concerned Duan Junyi, Ling Yun, He Zhengwen, Xu Guangyi, Li Ximing, and Chen Xitong.

LECTURES ON RURAL POLICIES TO BE PUBLISHED

OW051134 Beijing XINHUA Domestic Service in Chinese 0831 GMT 4 Jun 84

[Text] Beijing, 4 Jun (XINHUA) -- The "Lectures on Rural Policies", a book in plain language for the purpose of assisting the broad masses of readers in deepening their understanding of the CPC Central Committee's Document No 1 in 1984, and assisting them in implementing the document in a better way, has been compiled recently by the editorial department of the ZHONGGUO NONGMIN BAO. The book will be published in late June.

Since the CPC Central Committee's Document No 1 in 1984 was issued, it has aroused strong responses in the rural areas, further mobilized the enthusiasm among the broad masses of cadres and people, and promoted the healthy development of the reform in rural systems and of commodity production. A host of facts indicated that the continuous and intensive propagation of Document No 1 and the implementation of the party's various rural policies is an important task in further developing the excellent situation in the rural areas as well as in opening up a new prospect in the rural work. The book "Lectures on Rural Policies" is a compilation and will be published to meet the previously mentioned needs.

To meet the different needs of the cadres at all levels and the readers of various circles in the rural areas, "Lectures on Rural Policies" is divided into three parts. The first part contains documents issued by the central authorities and the State Council (including Document No 1 of both 1983 and 1984, issued by the CPC Central Committee, the documents on forestry and on enterprises run by towns and villages issued by the central authorities and the State Council and the related laws, regulations and rules formulated by the State Council). The second part is made up of the explanations of policies made by the departments concerned of the central authorities in answering questions raised by ZHONGGUO NONGMIN BAO on universal issues in the rural areas and based on questions suggested by readers in various localities. The third part contains the views on rural policies published in ZHONGGUO NONGMIN BAO.

COMMENTATOR ON DECISIONMAKING ROLE OF ENTERPRISES

HK110756 Beijing RENMIN RIBAO in Chinese 10 Jun 84 p 1

[Commentator's article: "Grasp the Major Issues and Leave the Minor Ones for Others"]

[Text] The existing system of economic management often brings forth some incomprehensible things as a result of "management." Not long ago a foreign company contacted our side on the sale of a factory to us. Being anxious to sell it as soon as possible, this company offered rather preferential terms on the condition that the transaction should be concluded within a week. The manager on our side immediately wrote a report, filled out forms, and completed other necessary procedures, working late into the night. However, when the report had been approved and enough official seals had been affixed, the situation had changed and this profitable transaction had already gone to the hands of another foreign businessman. Our manager had enough money, but he did not have the authority to use the money, leading to a defeat in commercial competition.

Similar "strange things" occur in the work of foreign trade, and they are encountered more often in our domestic economic activities, which has become a thing too often seen by people who are accustomed to it. Enterprises have too little decisionmaking power and "granny" takes care of things too extensively and too rigidly, which is really detrimental to the proper handling of matters.

Enterprises are cells of the economic mechanism. Only when enterprises are full of vitality can the economy have the motive power to develop. If enterprises are too rigidly restricted, the cells will degenerate and become ossified and the economy will exhibit a state of "morbidity." At present the primary task in the reform of the cities' economic system is to "loosen the ties" for enterprises. The central and local authorities should each grant enough power to enterprises in order to enable them to tap the great potential within the enterprises.

Highly concentrated power in the economic management departments shows serious defects. The "rope-type" method of administering enterprises has led to the "unification" of many things under the authority of the leading bodies, including personnel, finance, and material, and supply, production, and marketing. Superficially, it seems that this method possesses a high degree of planning, but essentially it contains a great degree of subjective judgment. When the method is workable, it means that the method accords with reality; when it does not work, it will lead to great losses. When enterprises are tightly restricted, even if they discover mistakes on the part of upper-level management, they are not in a position to effect adjustments in accordance with changes in the market and the law of value. Everything is decided by "granny," and there are a great number of "grannies." When orders come from various levels of authority, the enterprises will have nothing definite to follow. Thus, on the one hand, it helps the formation of such unhealthy practices as shifting of responsibility, procrastination, and red tape; on the other hand, it hurts the initiative of enterprises, and some factory directors or managers lack a high sense of responsibility and muddle along. Some foreigners have said that the Chinese lack a sense of timing in handling matters. As a matter of fact, we Chinese are not less intelligent than foreigners, but it is a fact that our initiative and activity are inhibited.

Attending to fewer minor things and granting more power to enterprises can overcome the above-mentioned defects. If the major issues are grasped and the minor things are left for others to take care of, the operations of enterprises will become brisk and lively. Here, "major" means the macroeconomy, and "minor" means the microeconomy. From now on, the economic management authorities should gradually grant more power to the lower-level units, and concentrate their efforts on studying the major issues and policies and working out plans for developing the macroeconomy. On the premise of fulfilling the plans, enterprises should adjust their plans and measures flexibly in accordance with changes in the market. We are currently reforming the economic functions of the state organs, so that the state organs can cast off the trivial things in micromanagement, and shift from the state administering enterprises to the state administering macrodecisions and unifying the market, and so that the enterprises can have the power to decide on their own microplanning. In this way, the state and the enterprises will have their own tasks and their own responsibilities, so as to ensure the orderliness of the macroeconomy as well as the vitality and liveliness of the microeconomy.

ANHUI-JIANGXI RAILWAY OPENED TO TRAFFIC 1 JUN

OW011259 Beijing XINHUA in English 1119 GMT 1 Jun 84

[Text] Nanjing, June 1 (XINHUA) -- The 539-kilometer Anhui-Jiangxi railway was officially opened to traffic today.

The railway runs from Wuhu, a Yangtze River port in Anhui Province, to Guixi, China's major copper-producing center under construction in Jiangxi Province, linking the Shanghai-Nanjing railway in the north and the Zhejiang-Jiangxi and Yingtian-Xiamen railways in the south. The new railway will help alleviate transport congestion in east China, the country's economically most developed region.

Four both-way passenger services will operate once a day on parts of the railway at the moment. Beginning from October an express from Beijing will pass through the Anhui-Jiangxi railway instead of running through Shanghai to reach Fuzhou, capital of Fujian Province. This will cut a detour of 285 kilometers.

FUJIAN GOVERNOR MEETS U.S. COMPANY DELEGATION

OW121302 Fuzhou FUJIAN RIBAO in Chinese 5 Jun 84 p 1

[Text] Governor Hu Ping met with Mr (Morton), president of the Asia Pacific Ltd, a subsidiary of the Dupont Corporation of the United States, and his party at the Xiamen Guest Hall this afternoon. At Governor Hu Ping's invitation, Mr (Morton) and his party arrived in Xiamen from Guangzhou by plane this morning.

Governor Hu Ping welcomed Mr (Morton)'s visit. He briefed the American guests on the development of Fujian's economy as well as on the Xiamen Special Economic Zone, conditions for investment, relevant policies, and the relevant situation of the Fujian chemical industry. He maintained that economic cooperation between Fujian Province and Dupont could be extensively promoted in various fields. He expressed the hope that Dupont would invest in Fujian, particularly in Xiamen.

Mr (Morton) thanked Governor Hu Ping for the invitation to visit Fujian. He said that both sides had attained better understanding through preliminary talks and that his confidence in investing here had been strengthened. He expressed the hope that achievements would be made during the talks in the coming days.

The Dupont Corporation was established in 1802 and is now one of the largest chemical industry corporations in the world. The total sales of the Asia Pacific Ltd reached \$1.6 billion in 1983.

Among those present at the meeting were Zou Erjun, mayor of Xiamen City, and Wen Fushan, chairman of the provincial Association for Friendship With Foreign Countries. In the evening, Governor Hu Ping gave a banquet in honor of Mr (Morton) and his party.

FUJIAN'S XIANG NAN AT THEATER AWARDS CEREMONY

OW090023 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 6 Jun 84

[Excerpts] A national award ceremony for outstanding scripts of stage plays, traditional operas, and operas shown in 1982 and 1983 was held in Fuzhou on 6 June. Xiang Nan, first secretary of the Fujian Provincial CPC Committee, attended and spoke at the ceremony.

EVERBRIGHT'S ACTIVITIES IN GUANGZHOU NOTED

HK111023 Guangzhou YANGCHENG WANBAO in Chinese 10 Jun 84 p 1

[Report by Chen Xiaoyong: "'Everbright' Is Going To Build Two Power Plants in Guangzhou"]

[Text] Wang Guangying, chairman of the board of the Everbright Industrial Co, revealed at a press conference in the China Hotel this morning that the company is studying how to help Guangzhou build two power plants with a generating capacity of 300,000-600,000 kilowatts and is busy making arrangements with the departments concerned.

Wang Guangying said: The Everbright Industrial Co was set up in Hong Kong last 18 August. Over the past year, the company has energetically conducted various import and development business, providing the mainland with foreign funds and advanced equipment and technology worth \$48 million. It has also signed an agreement with the Burroughs Computer Corporation of the United States for the joint production of micro-computers, a plant for which is to be set up in Hong Kong. The company is going to further expand the scale and scope of its imports to an estimated \$150 million this year. It will also develop an industrial zone covering an area of 4 square km in Zhuhai. At present, the company is carrying out a project to reclaim land from the sea at Modaomen, the mouth of the Xi Jiang. This covers a total area of 200,000 mu, 150,000 mu of which is earmarked for farmland. Wang Guangying also briefed reporters on some projects undertaken in Beijing by the Everbright Industrial Co.

SHENZHEN ISSUES IDENTITY CARDS TO RESIDENTS

HK080856 Beijing ZHONGGUO XINWEN SHE in Chinese 1417 GMT 7 Jun 84

[Text] Shenzhen, 7 Jun (ZHONGGUO XINWEN SHE) -- Our reporter learned from the Public Security Department that the work to issue "identity cards for permanent residents of the Shenzhen City Special Economic Zone" and "identity cards for temporary residents of the Shenzhen City Special Economic Zone" has already begun. The work to issue the former cards will be completed by the end of August, while the work to issue the latter will be completed by the end of the year.

Relevant responsible persons said that the permanent residence identity cards are identity documents for residents in the special economic zone who have registered permanent residence there, while the temporary residence identity cards are provisional documents for the identification of people who have come from other areas, who do not have registered permanent residence, and who have been permitted to live temporarily in the special zone. Those who have the permanent or temporary residence identity cards can enter or leave, without bringing with them any other documents, the administrative border of the special economic zone at Antou, Xili, Buli, Shawan, and two other places.

Shenzhen City has already decided on the requirements and procedures for applying to obtain these identity cards. Directly-related family members in the hinterland of naturalized Chinese in other countries, of Overseas Chinese, and of Hong Kong, Macao, and Taiwan compatriots who have purchased houses in the Shenzhen Special Economic Zone can apply for temporary residence identity cards, if they have obtained permission for this from the special zone authorities.

The staff and workers whom foreign businessmen have acquired permission to employ from among people in our country in the factories that these businessmen invested in the zone and who do not have registered permanent residence there can apply for temporary residence identity cards, as can the temporary staff and workers who have been employed from areas in our country by foreign enterprises for more than 6 months. While issuing these kinds of identity cards, Shenzhen will ferret out and deal with a number of people who have entered the zone without going through proper procedures.

QIAO XIAOGUANG AT GUANGXI RECTIFICATION FORUM

HK111346 Nanning Guangxi Regional Service in Mandarin 1130 GMT 9 Jun 84

[Excerpts] As the first group of units of city-level organs which are carrying out party rectification are about to enter the stage of comparison and examination, the regional CPC Committee held a forum yesterday morning of all democratic parties and nonparty democratic personages. The views of nonparty personages on party rectification work were listened to fully.

Comrade Wei Chunshu, deputy secretary of the regional CPC Committee, presided over the forum. Responsible persons of the regional CPC Committee, including Comrades Qiao Xiaoguang, Jin Baosheng, Qin Yingji, and (Ou Zhiwen), attended the forum. Liao Lianyuan, director of the United Front Work Department of the regional CPC Committee, also attended the forum. Responsible persons of the democratic parties and nonparty democratic personages who attended the forum included (Lai Bicheng), vice chairman of the Guangxi committee of the KMT Revolutionary Committee; Shi Zhaotang, vice chairman of the Guangxi committee of the China Democratic League; Sun Zhongyi, chairman of the Guangxi committee of the Chinese Peasants and Workers Democratic Party; Huang Dufeng, chairman of the Guangxi committee of the China Zhi Gong Dang; (Mo Wenbiao), vice chairman of the Nanning branch of the Jiu San Society; Zhang Jingning, chairman of the Guangxi committee of the China Association for Promoting Democracy; Lu Yannan, chairman of the Guangxi committee of the China Democratic National Construction Association and chairman of the regional Federation of Industry and Commerce; and Gan Huaiyi, vice chairman of the regional People's Congress Standing Committee.

In their speeches, they said: The holding of such a forum by the regional CPC Committee shows that the Communist Party has infinitely relied on our democratic personages. We must do our best to help the Communist Party make a success of party rectification.

At the forum, they fully affirmed the achievements made since the founding of the new regional CPC Committee. They also put forward many valuable views and suggestions. These views were mainly that we must not only admit the backwardness of Guangxi but also not be reconciled to its backwardness; that we must continue to eliminate leftism; that we must be resolved to institute reforms; that we must take all effective measures to firmly grasp science and technology and education; and that we must attach importance to employing talented persons, keep their minds on their work, and train them. Leaders must solve the problems of implementing policies toward intellectuals. We must really handle the problems left over by the Cultural Revolution from start to finish. We must strictly abide by party discipline and state laws.

At the forum, leading comrades of the regional CPC Committee expressed their thanks for the views and suggestions put forward by all. They also sincerely accepted them.

They would immediately take measures to solve problems which should be and can be solved. Comrade Wei Chunshu emphatically pointed out: We must do well in firmly grasping the implementation of policies, particularly policies toward intellectuals, as an important part of simultaneous rectification and correction of defects.

In conclusion, Comrade Qiao Xiaoguang said at the forum: After all comrades return, you can extensively seek views in your own units regarding the regional CPC Committee's party rectification. In the future, we will continue to hold forums to listen to more comrades' views.

He also said: Our party will by no means again make the mistakes in rectifying work style and opposing the right deviation of 1957 and 1958. We sincerely welcome nonparty friends and the masses to speak without any inhibitions and to put forward views and suggestions to the regional CPC Committee. We must do a good job in party rectification together and must do all aspects of work in Guangxi well.

WUHAN CPC STANDING COMMITTEE URGES URBAN REFORM

HK121434 Wuhan CHANGJIANG RIBAO in Chinese 11 May 84 p 1

[Report: "Continue To Eliminate 'Leftist' Influence, Quicken the Pace of Urban Reform"]

[Text] On 9 May, an enlarged meeting of the Wuhan CPC Committee Standing Committee pointed out, in conclusion: In order to implement the demand of the provincial CPC party congress to make Wuhan City function as a key city, and in order to promote the economic development of the city so as to make it stand in the forefront of the province's economic construction, we must conscientiously study the experience of Chongqing, Changzhou, and Shashi in carrying out comprehensive reform of the economic system. Also, we must further eliminate "leftist" influence, and accelerate the pace of urban reform.

This enlarged meeting of the Wuhan CPC Committee Standing Committee was held so as to act in the spirit of the national forum on urban economic system reform in experimental units, which was held in Changzhou in mid-April. At the 2-day meeting, participants from the city CPC Committee Standing Committee and the city Advisory Committee, People's Congress, government, and CPPCC, as well as responsible comrades of various departments, committees, and offices studied the spirit of the remarks of leading comrades of the CPC Central Committee and the State Council. In connection with the reform experience of Chongqing, Changzhou, and Shashi, integrated with the actual conditions in Wuhan, they seriously discussed, reached a common understanding on, and worked out tentative plans for accelerating the pace of the city's urban reform.

The meeting stressed: When carrying out reform, we must emancipate our mind and continue to eliminate "leftist" influence. All of us have soberly realized that we are in a period of great change. Reform is being carried out swiftly and violently throughout the country, and every locality is striving to push ahead vigorously. Being one of China's largest key cities located in the interior of the country, Wuhan must have a strong sense of urgency regarding reform; otherwise, it will have no future and will not be able to find a way out. On the other hand, the CPC Central Committee and the State Council have pinned high hopes on Wuhan in carrying out reform. The provincial CPC Committee and the provincial government lead and support the work. The cadres and masses in Wuhan yearn to carry out reform, and typical cases of reform have emerged on every front. Also, the city can draw lessons from the experience of Chongqing, Changzhou, and Shashi. Hence, the situation for carrying out reform is very good.

However, the present problem is how to conform our thinking to the new situation. Since the 3d Plenary Session of the 11th CPC Central Committee, people have greatly heightened their understanding. But the "leftist" influence has not been completely eliminated, which has brought about a variety of ideological obstructions in the reform. Consequently, the reform is being carried out behind schedule in some areas. All of the participants expressed the view that we must conscientiously sum up our experience, really keep in line with the CPC Central Committee, and uphold the view point that practice is the sole criterion for testing truth. We must be bold in breaking away from conventions which are obsolete and unable to conform to the new situation and the new task. Also, we must advocate reform and make headway by acting in the spirit of party rectification.

The meeting held that the reform of Wuhan must be carried out comprehensively and in various areas simultaneously. Only by acting in such a way can it bring about fruitful results. The meeting urged the economic leading departments and competent departments to delegate the due decisionmaking power, such as on personnel and organizational arrangements, to the lower level without hesitation by acting in connection with the principle of streamlining administration and decentralizing decisionmaking powers. Also, the meeting urged various departments to study the new situation and probe new methods. We must proceed from reality regarding some systems and regulations, and work out specific measures to deal with specific situations. We must lift some restrictions on the work of the lower level, and be bold in supporting reform. Regarding the reform of some undertakings which will certainly yield profits, such as the "two tongs" (circulation and transportation), we must go all out in reform and stride forward.

The meeting pointed out, in particular: The key to reform lies in qualified personnel, and the key to this lies in the leading groups. Thus, the leading groups should be bold in and good at carrying out reform. In the course of party rectification, the leading groups at various levels must reach a common understanding in keeping with the 12th CPC Congress, and must continue to augment and strengthen themselves before the end of May. A leading group at any level that has been given decisionmaking power will be responsible for the work. We must resolutely readjust those leading groups which have not created a new situation in their work for a long time and which still cannot conform to the new situation even after receiving assistance and education. We must by no means let them drag on like this and bring harm to reform. At present, we must particularly and actively support and lead well reform among scientific research units. Also, we can develop a number of collective scientific research units, such as an energy conservation center, an enterprise management advisory center, and a microelectronic technical service center, and make these units and state scientific research units promote each other and develop together. Furthermore, leadership at various levels should strengthen the political and ideological work in the course of carrying out reform, and must heighten their understanding of urban reform by proceeding from the integration of theory with practice. On the issue of employing qualified personnel, we must do well in the general investigation and registration of qualified personnel. We must thoroughly probe "our stock" to the extent that we can make rational arrangements, can mobilize them with leadership and in an organized way, and can avoid neglecting them. We must expand the range of qualified personnel recruitment. The grassroots units, including the scientific research units, can engage in the work.

The meeting urged us to further improve the work style of the leadership. It fully affirmed the practice of the city's leadership at various levels on solving problems on the spot over the previous period. It urged us to further strengthen investigation and study, to solve new problems emerging from reform by taking a positive and responsible attitude, not to pass the buck or allow problems to drag on, and to improve efficiency.

It urged us to carry forward the indomitable spirit, to act unswervingly once the direction has been fixed, and to grasp the work and carry it through to the end until fruitful results are obtained. It urged us to carry forward the spirit of self-reliance and to struggle arduously, to do most things with limited funds, and to reflect the ambitions of the people in Wuhan. At the same time, we must continue to rectify unhealthy tendencies, so as to ensure that reform is carried out smoothly.

The meeting also made arrangements for party rectification and reform methods to strengthen leadership and the division of labor, so as to ensure that this year the city's financial revenues will be better than last year and to lay the foundation for creating a new situation in the work next year.

HUBEI MEETING CONVEYS SPIRIT OF NPC SESSION

HK100810 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 9 Jun 84

[Excerpts] The Hubei Provincial CPC Committee held a gathering of cadres in the Hongshan Hall this morning, at which Comrade Lin Musen, deputy leader of the Hubei delegation to the Second Session of the Sixth NPC and vice chairman of the provincial People's Congress Standing Committee, conveyed the spirit of the session. Han Ningfu presided at the gathering.

Comrade Lin Musen's speech was in three parts: 1) Get an emphatic grasp of reforms of setup and of opening up to the world, and continue to promote China's economic construction. 2) Further perfect the country's nationality regional autonomy system and military services system. 3) Step up the building of socialist democracy and legal system, and put the people's congress system on a sound basis.

Comrade Lin Musen said: It is essential to carry out urban reforms. We must first further emancipate our minds, break through leftist bindings, and be bold in carrying out reforms. We must devote great effort to building socialism with Chinese characteristics.

Comrade Han Ningfu spoke in conclusion. He said: Premier Zhao Ziyang's government work report is extremely important. All units must seriously implement it. The party committees must seriously study it in connection with the various stages of party rectification and with comparison and examination.

ZHOU SHIZHONG AT HUBEI MOUNTAIN ROAD OPENING

HK110247 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 10 Jun 84

[Excerpts] The road around the mountain at Moshan, Donghu, which was jointly built by the Army and the people, has been completed, and a celebration gathering was held this morning. More than 1,500 members of the construction units and local workers attended. Wuhan City CPC Committee First Secretary Wang Qun, Hubei Vice Governor Tian Ying, and Wuhan PLA units Commander Zhou Shizhong made speeches at the ceremony.

GUIZHOU MEASURES TO IMPROVE ORGANIZATIONAL SYSTEM

HK120533 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 11 Jun 84

[Text] In light of the new situation that has emerged in the organs directly under the provincial authorities following the organizational reform and in an effort to overcome the malpractices in the management of the organizational system in the past, the provincial commission on the organizational system recently proposed the following measures for improvement:

1. Fix the authorized size and staff of an organization. The departments of the organs directly under the provincial authorities which have not been supplied with sufficient staff in accordance with the authorized size should recruit staff according to the quota. The first group of administrative and rear-service personnel should be recruited from the organs directly under the provincial authorities which have exceeded the quotas for authorized size. Key professional personnel can be transferred from the enterprises and institutions at the provincial level.
2. Personnel who are released from work for 2 years' study and more with full payment and who are released from work for more than 1 year because of illness and retired old cadres as well as their attendants supplied according to the regulations should be listed independently and not be included in the authorized size of the departments.
3. With respect to those personnel who have reached the age of retirement, it is necessary to conduct ideological work among them in good time so that they can go through the formalities of retirement as scheduled. With respect to surplus personnel after the organizational reform, those who have reached the age of 55 for males and the age of 50 for females and who cannot engage in normal work because of illness may go through the formalities of early retirement at their own request.
4. In line with the nature of their work and special needs, some departments may, in accordance with the quotas for their authorized sizes, recruit temporary or contract workers and, within the allocation for the organizational system, directly report to the organization, personnel, and labor departments for approval in recruiting personnel.
5. Quotas for the salary funds of workers and staff members will invariably be issued quarterly and will no longer be approved one by one.
6. With respect to the personnel who are in excess of the quota as a result of failure to comply with the quota set for authorized size, additional quotas for their salary funds will not be issued, additional expenditure will not be allocated, and payment for their salary will be rejected by the bank.

SICHUAN'S YANG XIZONG ON WORKING WITH PROVINCES

HK121336 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 12 Jun 84

[Text] According to SICHUAN RIBAO, at the provincial conference on economic and technological cooperation, provincial Governor Yang Xizong answered questions regarding the focal points of broad economic and technological cooperation with fraternal provinces, municipalities, and autonomous regions and favorable conditions the province can offer in implementing open policies. Provincial Governor Yang Xizong said: According to the economic development of the province, the focal points of economic and technological cooperations are:

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1. Exploit and utilize abundant mineral resources and [words indistinct] of agriculture and animal husbandry.
2. Carry out technological innovation in existing enterprises so as to develop new products and upgrade the quality of old products.
3. Develop the ability to produce such chemical industrial products as phosphate fertilizer, sulphuric acid, soda ash, caustic soda, mirabilite, and pesticides.
4. Enhance the ability to manufacture complete sets of equipment for textile industry exports, improve the technology of the printing and dyeing industry, upgrade the quality of [words indistinct], and promote the replacement of old products by new ones.
5. Process semi-finished products of the metallurgical, mechanical, and electronics industries and raise comprehensive economic results.
6. Upgrade the quality of products, reduce costs and consumption, add new varieties of products, and make products more competitive to meet new changes.
7. Promote new cultivation technologies centered on cultivating, improving, and introducing new strains. Make full use of and give full play to the potential of the existing natural resources, such as closed lands, forests, grasslands, and water sources. Develop rural commodity economies such as diversified economies and the processing industry of agricultural and sideline products.

We have put forth some 700 items of economic and technological cooperation in the coal industry, metallurgical industry, mechanical industry, light and textile industries, chemical industry, and building materials, on which we are to discuss economic combinations and joint exploitation with fraternal provinces, municipalities, autonomous regions, and various special economic zones so as to upgrade the level of technological management. Among them, there are a total of 100-odd items of economic cooperation, including a fleet serving the Chang Jiang basin; the development of cement and coal in Fuling; soda ash and caustic soda in Xindu, Zigong, and Leshan; nonferrous metals in Liangshan Autonomous Prefecture and other areas; mirabilite in Xinjin, Minshan, and Meishan; and chemical fertilizers and pesticides in the chemical industry. There are also 500-odd items of technological cooperation, mainly in the fields of the mechanical industry, electronics industry, light industry, textiles, silk, and the food processing industry.

In his speech, the provincial governor also put forth some favorable conditions for carrying out various forms of technological cooperation.

YANG RUDAI ATTENDS SICHUAN OPERA PERFORMANCE

HK070811 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 7 Jun 84

[Excerpts] On the evening of 6 June, the Chongqing City song and dance troupe performed, at the Chengdu City Cultural Palace, a grand opera -- The Torch Festival -- as a presentation to greet the 35th anniversary of the founding of the PRC. Yang Rudai, Nie Ronggui, Huang Qichao, and other responsible comrades of the provincial CPC Committee and People's Government watched the performance and met with and extended their warm congratulations to the cast.

HEILONGJIANG'S LI LIAN OUTLINES UPCOMING TASKS

SK120411 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 11 Jun 84

[Text] At a work conference of the provincial CPC Committee that was held today, Li Lian, secretary of the provincial CPC Committee, emphasized that in the second half of this year five major tasks should be carried out in the spirit of reform and opening to the outside world so as to create a new situation in our province's economic construction.

Comrade Li Lian pointed out that the first major task is party rectification. He said: The CPC Committee of the provincial organs and the leading party groups and CPC committees of various departments and bureaus should give specific guidance and, while ensuring quality, should seize time, speed up the pace, and strive to win complete success in the party rectification of provincial organs. In the comparison and examination stage, party rectification units of provincial organs should continue to rectify and correct mistakes simultaneously. When conducting comparison and examination, they should pinpoint problems, make full preparations, and devote a certain period of time. In this way, 1 month will be basically enough for a unit to complete the task.

Comrade Li Lian said: The provincial CPC Committee has decided that prefectural and city organs should start party rectification in August or September of this year. All prefectures and cities should step up preparation from now on.

Comrade Li Lian pointed out that the second major task is to carry out urban economic reform while continuing rural reform. He said: The provincial CPC Committee holds that in the latter half of this year, the province should emphasize the following four fields of work in its efforts to carry out reform:

1. Government administration should be simplified and more autonomy should be given to enterprises so as to enliven their operation. All prefectures and cities should resolutely implement the State Council's provisional regulations on giving more autonomy to state industrial enterprises and transfer to enterprises that power which should be duly transferred so that they will become independent commodity production units.
2. Policies should be relaxed and the contract system enforced. All localities and enterprises should prepare well for the second step of the tax payment system to be started in the fourth quarter of this year. After the tax payment system replaces profit delivery, the relations of distribution between enterprises and the state should be fixed by law, and the problem of enterprises eating from the big rice pot of the state will be basically solved. This provides a prerequisite for enterprises to break their own big rice pots. In urban enterprise reform, we should apply the contract system first to construction enterprises, collective enterprises, and small state enterprises. In the meantime, we should enforce the factory law at pilot state industrial enterprises which are experimenting with reform of the leadership system.
3. The circulation system should be reformed to enliven urban and rural markets.
4. In the latter half of this year, the provincial CPC Committee should succeed in the experiments comprehensive reform in Mudanjiang City and new livestock breeding system in Qinggang County.

The third major task set forth by Comrade Li Lian is to organize forces from all sources to conduct strategic study of the province-wide economic, scientific and technical, and social development. This is a task set forth after the provincial CPC Committee summed up its past experiences and lessons.

He said: We should have a correct guiding ideology when we conduct strategic study. First, we should have a clear goal. Second, we should persistently seek truth from facts, exert more efforts, do meticulous work and clarify the situation throughout the province. Third, we should have a sense of respect for systems and avoid one-sidedness so as to guarantee the correctness of the strategy for development. Fourth, we should formulate scientific policy decisions.

Comrade Li Lian said that the fourth major task is to widely seek talented people and promote to important posts those cadres who are dedicated to the socialist four modernizations and can open up a new situation. He said: We should continue to eliminate the leftist influence and break away from the old rules and regulations for promoting cadres and various outmoded ideas and restrictions if we are to reform the cadre system and boldly use talented people. The pressing task for selecting and promoting cadres is still to timely promote to various leading posts the young and middle-aged cadres who have been trained in practical work, have high political awareness and fairly high educational standards and professional knowledge, and are able to create a new situation so as to suit the needs in reform.

Comrade Li Lian called for concentrated efforts in readjusting and installing the leading bodies of scientific research, education, public health, and culture departments and large and medium-sized enterprises in the second half of this year. He pointed out: Close attention should be paid to building the third echelon. Elimination of the three types of persons should also be carried out conscientiously. The leading party groups and CPC committee secretaries should be held responsible if their units fail to eliminate these persons.

Comrade Li Lian pointed out that the fifth major task is to strengthen leadership over the work of ending deficits of industrial enterprise and increasing their profits. He said: In carrying out economic work in the latter half of this year, we should, in particular, give prominence to improvement of economic results, and resolutely fight a good battle in ending deficits and increasing profits of all enterprises, especially industrial enterprises. Therefore, we should further establish and perfect the leadership responsibility system, strictly enforce the reward and punishment system, strengthen supervision and examination of the work of ending deficits, and concentrate efforts on the consolidation enterprises incurring losses.

Comrade Li Lian concluded: The current situation is very good. The tasks for the second half of this year are very arduous. The key to a success in promoting the two civilizations lies in leadership. I hope that CPC committees at all levels will blaze new trails, work diligently, successfully fulfill the work in various fields, and greet the 35th anniversary of the founding of the PRC with outstanding performance.

HEILONGJIANG CARRIES CHEN LEI ARTICLE ON REFORM

SK110432 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 9 Jun 84

[Text:] The 10 June issue of HEILONGJIANG RIBAO frontpages Chen Lei's article entitled "It Is Imperative To Speed Up Urban Reform." The article states: Along with the turn for the better in the current national economic situation, urban reform has become increasingly prominent. Although our province's urban reform has just begun, we have already been confronted with three challenges: First, the sound development of rural reform has challenged urban reform. Second, the market changes, and especially the opening of the 14 coastal cities, have challenged the inland province. Third, there is a challenge from the new world technological revolution.

The summing-up of experiences and lessons gained in our province's rural reform shows that ownership should be differentiated from managerial methods, the urban reform should be suited to the rural reform, reform of the economic system should be suited to reforms in various other fields, and theoretical research should be suited to the practices of urban and rural reforms. The core of rural reform is the contract system. Practice proves that wherever the contract system is instituted, the people will become prosperous. In urban reform, the contract system should also be introduced in various plants and shops. In instituting the contract system, priority should be given to the key and crucial issues. By so doing, economic results will be raised, the quality of service will be improved, and the enthusiasm of workers and staff members will be mobilized. The contract system has reflected that the relations of production are suited to the development of production forces and the production organizations are suited to the demands of producers.

The article states: Viewing the provincial situation, we can see that in carrying out urban reform, the following problems must be solved urgently:

1. We must remove the barriers between higher and lower levels and between different departments and regions, and should organically and flexibly realign various economic forces so as to make economic activities develop in length and breadth. In industrial production, the barriers between different departments at different levels should be removed and enterprises of the same trade in different regions and departments should be allowed to conduct integration.
2. In carrying out reform, we must eliminate the practice of eating from a big common pot. In essence, we should overcome egalitarianism in distribution and implement the principle of giving more pay for more work.
3. Along with the reforms of industrial and agricultural production, we should conduct reform in commodity circulation. In the second half of this year, we should finish building all the wholesale stations at the second and third levels into cooperative shops and building four trade centers in the province. Various commercial departments should coordinate the market, share profits, and stand together through thick and thin. Peasants should be allowed to market their products in urban areas. It should be possible for catering and service trades in urban areas to be contracted to collectives and individuals. Rural supply and marketing cooperatives should be operated by local people instead of by the authorities. Some supply and marketing cooperatives have already been contracted to individuals and very good results have been achieved. We must resolutely overcome the defect of failure to separate government work from enterprise work, and concentrate on simplifying administration and transferring power to enterprises. From now on, enterprises of the same trade should be integrated and economic administrative organs should be established. Enterprises should be administered by companies, and the government organizations should only work out plans, formulate policies, and collect taxes from enterprises. Reform of the urban economic system is not the affair of one place or one front but is the major event in all places and on all fronts. Therefore, various departments should carry out reforms at the same pace and various professions and trades should make concerted efforts to carry out reforms.

The new technological revolution has already become a wave pounding the world. In carrying out reform, special attention should be paid to the value of information, to giving play to the role of information, and to building information organizations. The yardstick in determining success or failure of reform should be whether or not the people's enthusiasm has been aroused and whether or not economic results have been raised.

The article said in conclusion: In the near future, it is very possible that the rural economy will enter urban areas. At present, commodity households, architectural trades, and service trades in rural areas have already entered urban areas. Of course, this is a good situation. It is a necessary trend in integrating the rural economy with the urban economy as well as a challenge to the urban economy. In light of the situation in which incomes of some peasants gradually become higher than the incomes of urban workers and staff members, many urban residents, especially those workers proficient in a particular field, will probably be drawn to the vast rural areas. Under such a new situation, how the urban economy should serve and guide the rural areas has become an important and urgent question.

JILIN HOLDS REPORT MEETING ON PARTY RECTIFICATION

SK110512 Changchun Jilin Provincial Service in Mandarin 1030 GMT 9 Jun 84

[Excerpts] On the afternoon of 8 June, the guiding group in charge of party rectification under the Jilin Provincial CPC Committee held a report meeting with responsible persons from the provincial level organs participating.

At the meeting, the leading party member groups of the provincial Agricultural Department, the provincial Forestry Department, the provincial Planning Commission, and the provincial Personnel Bureau delivered reports introducing their experiences gained in blocking the malpractices of seeking personal gain by taking advantage of power and bureaucracy.

Comrade Zhang Gensheng made a speech in which he made further arrangements for the party rectification work of the provincial level organs.

Over the past 2 months, the provincial level organs have achieved great development in conducting the party rectification work. Units that were assigned to the first stage of the party rectification drive have entered the period of comparison and examination, and the units assigned to the second stage will conduct comparison and examination work in the near future. They are concentrating on studying the party rectification documents.

In his speech, Comrade Zhang Gensheng emphatically pointed out: To ensure the quality of comparison and examination work, and to thoroughly fulfill the party rectification task with a high standard, the provincial level organs must integrate or unify their comparison and examination work organically with the important instructions issued by the central leading comrades, including Hu Yaobang, during their inspection tour in our province, and with the government work report of Premier Zhao Ziyang. Efforts should be made to truly enable the party rectification drive to accelerate the pace of transformations and economic construction and to take the results scored in transformations and economic construction as a yardstick in measuring the party rectification drive. We must consider the following important tasks of the party rectification drive: Eliminating the leftist influence; smashing the fetters of rigid rules and regulations; doing away with outdated ideas and regulations that are unsuitable for systematic reforms and the open-door policy; and carrying forward the spirit of boldly conducting exploration and creating something new.

The period of conducting comparison and examination is crucial in effectively preventing the perfunctory or superficial launching of the party rectification drive. This June, units that have been assigned to the first stage of the party rectification drive should concentrate their efforts and time on successfully conducting the comparison and examination work.

Attention should be paid to acting in high unison ideologically and politically with the CPC Central Committee, examining the existing major problems that cropped up in implementing the party's lines, principles, and policies set forth at the 3d Plenary Session of the 11th CPC Central Committee and in upholding the four basic principles, and to solving the problem of totally negating the Great Cultural Revolution so as to realistically overcome factionalism, to enhance party spirit, and to strengthen unity and cooperation.

Correcting or blocking the bureaucratic malpractice of seeking personal gain by taking advantage of power is a crucial issue in achieving a fundamental turn for the better in party style and in further improving the ties between the party and the masses and is also a fundamental issue in enabling party members to strengthen their party spirit. The leading bodies of the units that have begun the party rectification drive, particularly the principal responsible comrades, should further carry forward the spirit of boldly creating something new, boldly breaking new paths, and boldly assuming responsibility so as to make due contributions to achieving success in the party rectification drive and achieving a fundamental turn for the better in party style.

In measuring results scored in the party rectification drive in line with the spirit of the decision on party rectification and Circular No 1 issued by the Discipline Inspection Commission of the CPC Central Committee, the situation prevailing in the provincial level organs is fine. By carrying out the party rectification drive step by step, the provincial level organs can guarantee high hopes of success.

JILIN DIRECTIVES ON PUNISHING SPORTS VIOLATIONS

SK090235 Changchun Jilin Provincial Service in Mandarin 1030 GMT 8 Jun 84

[Text] On the morning of 8 June, Deputy Governor Liu Yunzhao relayed the directives of Comrade Qiang Xiaochu, first secretary of the provincial CPC Committee, concerning the circulation of a criticism notice by the State Physical Culture and Sports Commission regarding the serious violation of sportsmanship by the provincial soccer team, to responsible persons of the provincial Physical Culture and Sports Committee.

Comrade Qiang Xiaochu urged the provincial Physical Culture and Sports Committee to accept the criticism by the State Physical Culture and Sports Commission. Through this case, physical culture and sports committees at all levels and sports teams across the province should absorb the lesson, strengthen ideological and political work, attend to spiritual civilization, consciously upgrade the ideological level of leaders, coaches, and sportsmen, and enhance understanding of sportsmanship.

Leading comrades of the provincial Physical Culture and Sports Committee keenly regretted this event, conscientiously summed up the lesson and found out that sports teams had been lacking in ideological and political work, had failed to identify problems at ordinary times, and had been too lenient in handling mistakes, and that they had practised bureaucratic methods in the fields of management and education.

In accordance with the opinions of the State Physical Culture and Sports Commission (Zheng Zhisheng), leader and coach of the provincial soccer team, recorded a demerit; (Zheng Gongquan), coach, was given a disciplinary warning; (Jin Guangzhu) and (Zhang Chunshan), sportsmen, recorded demerits; and (Lin Qide), sportsman, was given a disciplinary warning. At the same time, these five persons will not be given bonuses for 1984. At present, the provincial soccer team has conducted a self-examination. The provincial soccer team expressed the following: We should regard the criticism as an impetus, strengthen training, and make efforts to advance in both ideology and technique in future games.

PREMIER REAFFIRMS SOVEREIGN RIGHTS OVER HONG KONG

OW130253 Taipei CNA in English 0236 GMT 13 Jun 84

[Text] Taipei, June 13 (CNA) -- Premier Yu Kuo-hua said Tuesday that the government here is very much concerned with the future of Hong Kong, stressing that any agreements between the British Government and the Peiping regime about the colony's future will not be recognized by the Republic of China and thus become null and void. Yu made the remarks in response to questions raised by Legislator Pu Shao-fu. He said the strong will of the Hong Kong people to pursue freedom and democracy deserves world-wide recognition and respect.

The premier said the Republic of China has sovereign rights over Hong Kong and the Peiping regime has absolutely no legitimate rights or claims of jurisdiction over it. The so-called "future plans" for Hong Kong as recently proposed by the Peiping regime are a mere smoke screen intended to win the support of Hong Kong people. The moderate image and smiling face as shown in the Peiping regime's empty promises, Yu said, should be fully understood by a majority of the Overseas Chinese living in the colony. And the government here feels deep concern for the interests of the people in the colony in their pursuit of democracy, freedom, welfare and security. The premier noted that the government has created a task force to map out feasible schemes in respect of preserving the freedom, security and prosperity of Hong Kong as well as the individual rights of the people living there.

CNA DERIDES PRC'S POLICY ON HONG KONG TAKEOVER

OW091027 Taipei CNA in English 0939 GMT 9 Jun 84

["Peiping's 'Hong Kong Package' Means Less Than Nothing" -- CNA headline]

[Text] Taipei, June 9 (CNA) -- This is the year of reckoning for Hong Kong. Having lived on borrowed time, the British colony's 5.5 million people will know by September what Red China plans to do with Hong Kong after Britain's lease on "the New Territory" expires in 1997. Peiping has made September the deadline for concluding an agreement with London on the future of the crown colony. If no agreement is reached, Red China has warned that it would make a unilateral announcement on its policy and guidelines.

After some hesitation Britain has agreed to yield both sovereignty over and administration of Hong Kong to the Peiping regime on the expiration of the lease 13 years from now. Ever since secret Peiping-London talks on the tiny enclave began in the fall of 1982, following British Prime Minister Margaret Thatcher's visit to Peiping, Hong Kong has been shaken to its roots. Last September, political jitters sent the Hong Kong dollar to a record low of 9.50 against the American dollar, a drop of 32 percent in one year. Residents panicked, hoarded foods and bought gold as a hedge against inflation. Supermarkets were stripped bare and goldsmith shops did a roaring trade. The panic dismayed Peiping. It has since been trying hard to calm the nerve of the Hong Kong residents by claiming that it would allow Hong Kong to preserve its present social and economic system for 50 years after the 1997 takeover. That means, according to the Chinese Communists, Hong Kong would be self-governing as a special administrative region of Red China; it would have financial autonomy; it would have its own rights and legal systems; it would retain its free port status; and there would be no communist garrison in the city.

All the promises sound sweet. But the trouble is that the Hong Kong people have no confidence in such offers. The Chinese Communists have a "proven" track record which shows that they often forget their promises, or change their minds overnight. They can even change their "Constitution" or completely ignore its provisions any time they choose. This is why four constitutions have been dished up in the past 35 years of communist rule on the China mainland.

Besides, the Peiping regime has been built on the foundation of the "four insistences" and any departure from it would mean risk to its own survival. The "four insistences" are insistence on Marxism-Leninism and Mao Tse-Tung Thought; insistence on the people's democratic dictatorship; insistence on the socialist road; and insistence on the leadership of the Chinese Communist Party.

Peiping has thus far made no clarification how these "four cardinal insistences" could harmonize with its sweeping promises to the Hong Kong people, most of whom are ethnic Chinese. The continuation of the present lifestyle in the bustling port city, though bringing stability and prosperity, will be so repugnant to communist lifestyle of struggle and poverty that sensitive residents there wonder how long Peiping could tolerate the special situation in the tiny enclave.

More worrisome is the issue of communist garrison in the colony after the British pullout in 1997. Although some top Peiping officials, including former Foreign Minister Huang Hua and former Defense Minister Keng Piao, once pledged not to station Red Army in Hong Kong, its supreme leader Teng Hsiao-ping has recently dismissed the pledge as "nonsense." Teng instead announced that Peiping will send between 3,000 and 5,000 troops to the colony after taking over sovereignty over it.

Teng's remarks exposed Peiping's real intention toward Hong Kong, that is to communize it eventually. With the presence of the People's Liberation Army, how could Hong Kong people run their own business with a free hand? The prospect of what would happen to Hong Kong after the communist takeover could be found in the torment of Tibet.

Peiping once also reached a 17-item agreement with Tibet's autonomous government in May 1951. Major subjects included maintenance of the Tibetan political, economic, religious, social and educational systems. Thereafter, large numbers of communist troops entered Tibet. After gaining control of the overall situation there, Peiping tore up its agreements with the Tibetans and imposed 60 conditions, including such items as the implementation of communism by collectivizing Tibetan cattle farms, Communist Party's control of materials, and restrictions on the Tibetan people's freedom of movement. After the outbreak of revolt in March 1952, the Chinese Communists tightened their control. The Dalai Lama, Tibet's political and spiritual leader, escaped in 1956 and the Tibetan Autonomous Government ended.

The tragic story of Tibet, complemented by Teng's statement on the deployment of Red Army in the crown colony, reminds the free world that Peiping's promise to allow Hong Kong to retain the capitalistic system for another 50 years after 1997 means nothing. It is made solely for the purpose of trying to keep the Hong Kong citizens in place. Once it gets hands on the tiny enclave, it will do as it pleases. The way of life and the present systems there will be dramatically converted. As the Hong Kong residents, many of whom fled from the Communist-controlled Chinese mainland after 1949, know very well Peiping's tricks, they have refused to place trust in Peiping's pledges. According to an article in the ASIAN WALL STREET JOURNAL, one Hong Kong citizen who grew up under the Peiping regime said, "I know their guarantees aren't worth anything."

Without confidence in the city's political future, most of the rich have either moved out or are ready to leave at short notice. But the average people will have to stay. The British Government has announced that it won't accept the immigration of the colony's inhabitants. The Government of the Republic of China, on the contrary, is most eager to lend a helping hand to the freedom-loving Hong Kong residents. The ROC has reiterated time and again that London should talk with Taipei on the future of the crown colony, not with Peiping, and that any agreement reached between London and Peiping would be null and void. The ROC is also making every effort to take care of the Chinese in Hong Kong against persecution and oppression after the transition of the sovereignty. The ROC has always shown readiness to join hands with the Hong Kong people to fight for continued freedom and prosperity.

COMMENTARY ON U.S. SUPPORT FOR HONG KONG

GW121215 Taipei International Service in English 0100 GMT 12 Jun 84

[Station commentary]

[Text] U.S. consul-general in Hong Kong, Burton Levin, delivered a pep talk to the British colony last Thursday. Speaking to the U.S.-Hong Kong Association in New York, he voiced confidence in the colony's future after 1997 while pledging continued U.S. support for its international status of the British administration then. Levin was apparently trying to beef up Hong Kong's confidence in the wake of official British announcement that it will turn over Hong Kong to Peking lock, stock, and barrel in 1997 and Teng Hsiao-ping's recent statement that Red China's troops will be stationed in Hong Kong after the British departure.

The American diplomat was speaking with U.S. interests in mind. There are some 700 major American companies operating from their regional headquarters in Hong Kong. Total U.S. investment in the colony was estimated to be somewhere between 4 to 5 billion U.S. dollars, and two-way trade has exceeded 8 billion U.S. dollars. If the Hong Kong economy withers as rapidly as the present, the trend indicates the American business community in Hong Kong will be a major loser.

By drawing a rosy picture for the post-1997 Hong Kong, Levin was hoping to stem the tide of capital flight and the exodus of (?professionals) that, if unchecked, would turn the colony into an economic desert long before the 1997 deadline.

However, Levin's confidence-building talk was not very convincing. He predicated his optimism on Peking's assurance for Hong Kong people, its obvious interest in maintaining the colony's prosperity, and Peking's intention to make Hong Kong a model for the return of Taiwan. He said Peking authorities had consistently put their interests ahead of their emotions in treating Hong Kong. The consul failed to note that the leaders of Red China seldom act rationally. If they were really sensible people, they would have never ruled the Chinese mainland as they did. They are still clinging to the basic tenet of Marxism-Leninism, even though they have come to realize their past mistakes.

If Peking really puts its interests ahead of its emotions, Teng Hsiao-ping would not have frightened the jittery Hong Kong residents by announcing plans to send troops there. The supposition that Peking has to make Hong Kong a model for Taiwan is derived entirely from speculation. The Tengists have listed the return of Taiwan as one of the three major tasks in the 1980's. A few days ago, Chao Tzu-yang repeated the objective while answering a press question in Denmark. As to U.S. support for Hong Kong's international status, Levin did not specify what steps Washington would take to back up its pledge. Nor can one imagine how the pledge can be carried out after the red flag is hoisted over the colony.

TA KUNG PAO ON PRC STRATEGIC MISSILE FORCES

HK130520 Hong Kong TA KUNG PAO in Chinese 13 Jun 84 p 2

["Political Talk" column by Shih Chun-yu: "China Has Organized Strategic Rocket Units"]

[Text] A Range of 13,000 Kilometers

It was reported in Beijing that in a talk to a XINHUA reporter, a senior PLA official disclosed that China has organized strategic missile units. Strategic missile units refer to intercontinental ballistic missile units. This shows that China possesses strategic nuclear weapons and the means of delivery which can be used to launch long-range missiles (with a range of 13,000 kilometers) to other continents of the world.

In fact, as early as 1980, China successfully conducted an experimental launching of a long-range carrier rocket, namely, an intercontinental ballistic missile. In 1981 China again successfully launched three satellites with a carrier rocket. At that time Western military commentators held that China not only possessed intercontinental ballistic missiles but also had multiple warheads with a long-range rocket.

Launching a Guided Missile Underwater the Year Before Last

Then, in October 1982 China again successfully launched a carrier rocket from a submerged submarine. Such modern military technology, which is extremely difficult, indicated that China had brought about a new leap in its carrier rocket technology. It not only showed China's advanced rockets but also demonstrated China's advanced technology in building submarines designed especially for underwater launching.

At the beginning of this year China again launched a positioned communications satellite accurately into a predetermined orbit synchronized with the earth so that the color television programs of Beijing's Central Television Station could be transmitted immediately to the northwest and southwest. This is an achievement in scientific space technology that only a small number of countries have mastered at present.

Judging from the series of achievements attained in recent years, it is logical that Beijing should announce the formation of strategic missile units on this occasion.

Purely for the Sake of Defense

Beijing has long and repeatedly reiterated that it is purely for the sake of defense that China has developed nuclear weapons on a limited scale. China will never be the first to use the nuclear weapons. It calls on the nuclear powers, the United States and the Soviet Union, to also undertake not to be the first to use nuclear weapons and to be the first in reducing nuclear weapons, and then to destroy nuclear weapons jointly with all nuclear countries.

During his visit to the United States at the beginning of this year and his current visit to Western Europe, Zhao Ziyang elaborated on China's stand on this issue on numerous occasions, and sincerely called on the United States and Soviet Union to resume the nuclear disarmament talks.

Since Nikita Khrushchev unilaterally tore up the agreements in 1962 by recalling all Soviet experts overnight and terminating cooperation with China, Beijing has started from scratch and developed its national defense step by step through self-reliance. This achievement, which is there for all to see, is something every Chinese feels proud of.

Zhang Aiping's Visit to the United States

It can be imagined that if China had not possessed a limited nuclear deterrent force, it certainly would have been intimidated by others. The "sulks" are of secondary importance, but who knows when we really might come under a nuclear attack? Did not the U.S. State Department disclose last week that the use of atom bombs against the Chinese mainland was once seriously considered during the Eisenhower period?

We do not necessarily possess many strategic weapons, but we cannot do without them. At least they can play the role of containment, so that the hegemonists have to think twice before doing something.

At present China is carrying out disarmament and Army consolidation. On the one hand, it will devote the national defense expenditures and industry thus saved to economic construction and civilian use; on the other hand, it is establishing the regularization of the Army and the restoration of the system of military ranks. The implementation in China of the policy of opening to the outside world has provided a favorable condition for the modernization of national defense, enabling Zhang Aiping to visit to the United States.

EDITORIAL VIEWS TAIWAN FIRING AT MAINLAND BOATS

HK120955 Hong Kong TA KUNG PAO in Chinese 12 Jun 84 p 2

[Editorial: "What Are the KMT Authorities Aiming At?"]

[Text] The Taiwan KMT troops stationed on Jinmen Island twice fired at and bombarded mainland boats carrying on normal activities on the Fujian coastal sea in the 5 days between the end of May and the beginning of June, resulting in bloodshed, and thus the auspicious and peaceful atmosphere which has been created in the Taiwan Strait is sabotaged.

In recent years, the situation in the Taiwan Strait has tended toward tranquillity, with large numbers of ships passing through it in safety every day, which has won the high opinion of all sides. It was at such a time that the KMT troops started trouble, unreasonably attacking ships passing through the Taiwan Strait, in an attempt to create tension. No matter what political purpose the KMT authorities are aiming at, such cowardly action of firing sniper shots will never change the general tide of the universal demand for promoting the peaceful unification of China at home and abroad. Speaking of its nature, firing at mainland ships carrying on normal activities and regarding the people as dirt, which has led to casualties, such an action deviating from justice and rationality cannot but rouse the indignation of our compatriots at home and abroad.

Earlier, the KMT troops stationed on Jinmen Island had, on three separate occasions, on 7 February, 11 February, and 2 March, bombarded Panamanian, Japanese, and Korean merchant ships from Mazu and Baiquan Islands. On 11 March, the KMT troops stationed on Nangantang of Mazu Islands again bombarded the Japanese merchant ship Feng Teng, while it was anchored outside Fuzhou waiting for the tide to change. Later this ship arrived in Hong Kong, and its captain talked about the incident. However, the Taiwan authorities flatly denied the firing by their troops, while making false charges against the mainland.

In the current firing incidents, the first ship to be attacked was a rescue boat leaving Xiamen for Dongshan, which was fired at in the neighborhood of Wudang Island, two shells hitting the hull of the boat. Later, a wooden junk from Nanri Island of Putian County was fired at with guns and heavy machineguns while on its way to Xiamen on a commercial trip when passing the neighborhood of Mazu Gong of Da Jinmen Island; two of the seamen were killed, while another two were wounded.

The two boats which were attacked were obviously boats with nonmilitary purposes, but sailing in coastal waters, which was entirely "harmless passage." The fact that the two boats were unexpectedly and deliberately attacked cannot be denied by the Taiwan authorities, since there is human testimony and material evidence.

What is worth our attention is that the current firing of the KMT troops took place on 31 May, the very day on which the Yu Guohua "Cabinet" of the Taiwan authorities took office; later, on 4 June, when the firing of both rifles and canons occurred, it was the very day when Jiang Jinguo sent his assistant Li Denghui to Jinmen Island on a visit. Could it be mere coincidence that the firing incidents at mainland boats occurred on those two particular days? What are the KMT authorities aiming at to sabotage the relaxing atmosphere in the strait at this particular time?

Recently people have seen that mainland China has continuously made new achievements in economic construction and structural reform; and its recent decision on further opening up 14 coastal port cities to the outside world has attracted the welcome and great attention of international investors. Beijing's advocacy of establishing ties, promoting exchanges, holding dialogues between the KMT and the CPC, and further realizing the peaceful unification of the motherland has won universal support. On the other side of the Taiwan Strait, the voice of the Taiwan compatriots to eliminate the isolation from the mainland is rising higher and higher with each passing day. The fact that the KMT authorities have recently placed strict restrictions on going to the mainland to visit friends and relatives is being rejected as violating human relations and failing to offer a tenable argument. The recent change in the personnel of the Taiwan authorities has not in the least solved the difficulties in their "legally constituted authority" and the problem of succession. Internationally, they are also confronted with many setbacks. Economically, the Taiwan authorities have still failed to find a steady and stable way out of its "period of change." With the mingling of various factors, the KMT troops have been starting trouble secretly, while publicly denying it. What they have been trying to do is shift the attention of the people inside Taiwan Province, while deceiving world public opinion in the vain hope of being lucky. Nevertheless, such base methods will only run counter to their desires, and go against the will of the people.

The auspicious and peaceful atmosphere appearing in the Taiwan Strait in recent years, which is advantageous both to mainland China and Taiwan Province, did not come easily, and is helpful to the peace and stability of the Asia-Pacific region. The barbarous acts of Taiwan KMT troops firing at mainland ships must be stopped at once. In his government work report of last month, Chinese Premier Zhao Ziyang made it clear that "so long as there is a common language between the KMT and the CPC on the question of peaceful unification, everything can be settled through discussion," and we hope the Taiwan authorities will consider it seriously. Conversely, if they should delay and obstruct unification, and go so far as to start trouble, killing and wounding their compatriots, such provocations will not be tolerated.

HSIN WAN PAO ON ZHANG AIPING TRIP, TAIWAN STRAIT

HK121032 Hong Kong HSIN WAN PAO in Chinese 12 Jun 84 p 1

["New Talk" column] "Zhang Aiping's Visit to the United States and the Taiwan Strait"]

[Text] Zhang Aiping, minister of national defense has begun his visit to the United States. This is the first Chinese minister of national defense to visit the United States in over 30 and more years. The ministers of national defense of China and the United States have held the first round of talks, which is said "to have gone on extremely well." The Washington spokesman said: The two parties "share common views on important issues. We hope that it will enhance the defense power of the two nations."

We do believe that there are points where China and the United States hold common views, in particular in the international arena; however, in Sino-U.S. bilateral relations, there undoubtedly exist some disputes. Will Zhang Aiping's present visit achieve a certain coordination through dialogue? Perhaps this is what people are concerned about.

During his visit to the United States, Zhang Aiping will visit some military bases, and national defence industries. In his speech upon his arrival in Washington, he pointed out that it was his hope that through his visit, understanding would be deepened, and friendship promoted, "which in turn will be helpful in pushing forward the development of relations between the two countries and the two armies." Apart from the relations of the two countries, there are also relations between the two armies. This is a matter of course because as minister of national defense, he can not but have military affairs, national defense, and so on, first in his thoughts.

According to the report of a foreign news agency, the topics of the talks between the minister of national defense of China and the United States have possibly involved the sale of U.S. weapons and the transfer of some military technology of which China is in need, and the possibility of China and the United States producing military equipment in cooperation, and so on. However, it is believed that the specific topics will not be explicitly revealed, but as one of the goals of the visit is to develop relations between the armies of China and the United States, it is held that some achievements will be scored.

The Taiwan KMT authorities are most uneasy about the development of the relations between the armies of China and the United States. Taiwan holds that Zhang Aiping's visit to the United States "has expressed that Beijing and the United States are enhancing their military cooperation," therefore, they have been most irritated. On the one hand, they say: "We must obtain high technology in national defense from the United States, so as to maintain the military balance in the Taiwan Strait." On the other, they say, "if Beijing should obtain F-15 fighters from the United States, the security of the Taiwan Strait will be gravely threatened." Obviously, the Taiwan authorities have been anxious and are worried about Zhang Aiping's U.S. visit. They are anxious whether it will bring about some changes in the sale of U.S. weapons to Taiwan, and are worried about any development in relations between the armies of China and the United States.

Apart from anxiety and worries, the Taiwan authorities are going in for some petty tricks, creating some incidents, in an attempt to sabotage the talks between the ministers of national defense of the two countries. Perhaps this is why KMT troops stationed on Jinmen Island fired at civilian boats in Fujian coastal waters? It is the habitual practice of the KMT to create tension in the Taiwan Strait, so as to drag in the United States; nevertheless, can petty tricks resist the development of the current of the world?

SOUTH CHINA MORNING POST ON NANJING PROTEST

HK121212 Hong Kong SOUTH CHINA MORNING POST in English 12 Jun 84 p 12

[By Ken Stevens]

[Text] Nanjing, June 11 -- More than 500 Nanjing University students marched on the Jiangsu provincial government offices to press home demands for accelerated reforms. The demonstration brought to a head a three day dazibao (wall poster) struggle between students and the university leadership. During the three-day protest at the end of last month, the party leadership at the university was singled out for attack with calls for the sacking of the party secretary, Mr Zhang De.

At the root of the students' anger was what they saw as the declining status of Nanjing University (Nanda), which along with Peking University and Fudan University (Shanghai) were traditionally regarded as the premier three institutions of higher learning in China. The student movement was ignited by a rumour that Nanda had been dropped from a list of 10 key institutions of higher learning earmarked for special funds. These institutions would get the lion's share of funds to upgrade standards to an international level in specified areas of research designated as essential to China's modernisation.

According to the students, the university's failure to win a slice of these funds was due to slowness in reforms and the fact that it has been without a xiaozhang (school head) since the aged academic, Mr Kuang Yaming, resigned three years ago. Without a school head, the students argued, the university had no one to put its case to central government authorities, hence its apparent decline in the past few years. Although the party committee is supposed only to play the role of an ideological watchdog, in effect its secretary, Mr Zhang, has assumed the functions of school head. Moves to appoint a new head have been more than tardy and Mr Zhang is reported to have publicly boasted that his position is untouchable. Mr Kuang Yaming, now in his late 70s, officially resigned for health reasons, but it is public knowledge that his position was continually undercut by Mr Zhang.

At lunchtime on May 28, the first dazibao went up. In the subsequent three days students put up posters calling for reforms, stating Nanda was luohou (backward), attacking the party's undemocratic control, demanding greater freedom of speech, with assorted criticism of facilities and academic standards. These were pulled down the next day and the school authorities responded with a notice saying the students' actions were fan zui (criminal). A few hours later the students ripped these down, put up new dazibao and also sections of the Constitution purporting to guarantee freedom of expression. In turn the school party committee responded with new directives that contain sections of the Constitution which state all mass actions must be under the leadership of the Communist Party of China. At 9 pm on May 30, a hard core of students -- mainly from the departments of foreign languages, physics and chemistry -- assembled outside the university gates and was joined by others returning from classes or the library. They then marched on the government offices chanting slogans like: "Reform Nanda, vigorously develop China." "We want Kuang, down with Zhang." Outside the government offices they sat on the road until after midnight while student representatives went to and fro to talk to officials.

The immediate result is inconclusive. The party has held special meeting in each department to explain its viewpoint and the university is to set up a reform committee. The university (the party committee) has promised to look into the students' grievances, to try to solve the problems of poor facilities and speed up the appointment of a new xiaozhang.

And no immediate disciplinary action has been taken, the party apparently adopting a begin attitude that it was an enthusiastic response to the continual stream of party documents of late in which nearly every sentence carries the word gaige (reform). Moreover, foreign teachers and students were told that the students were naive and did not really know what they wanted. But the demands, to observers, quite concretely pilloried the poor academic standards, inadequate facilities, staidness of intellectual inquiry and party domination of school and student organisations that fly in the face of constitutional guarantees of democratic participation. And while no students have been punished at present, more probably because of fear it would provoke a bitter response, some students believe it will come at graduation -- they will be sent to the China hinterland.

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